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SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

Tuesday, July 3, 1979

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Tuesday, July 3, 1979

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
Tuesday, July 3, 1979

Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m., in Room 282, City hall, San Francisco.

* * *

Roll Call:

Present: Commissioners Ruth S. Kadish,
Morris Bernstein, William K.
Coblentz, Z. L. Goosby.

Absent: Commissioner J. Edward Fleishell.

* * *

Pledge of Allegiance: Led by Commissioner Goosby.

* * *

Approval of Minutes

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was adopted by order of Commission President Kadish:

No. 79-0211 Resolution adopting the Minutes of the
Airports Commission meeting of June 19,
1979.

* * *

Secretary's Announcement of Items Passed in Executive Sessions of
June 21, 1979 and June 27, 1979.

Mr. Eric Craven, Commission Secretary, reported on the Executive Sessions held on June 21 and 27, 1979. His report is attached and included by reference.

Director's Reports:

- (1) Human Rights Commission Requirements for Contract No. 1100, Boarding Area "E".

Mr. Richard Heath, Director of Airports, said that most of the reports were self-explanatory, but that he would like to update Item (1), the dispute between the Human Rights Commission and Lathrop Construction, the successful bidder on the Pier "E" Project. Mr. Heath said that Mr. Jason Yuen, Chief Project Manager of the Bureau of Terminal Construction, had, that morning, attended a meeting between Lathrop management and Mr. Grant Mickens, Director of the Human Rights Commission, on what could be done to gain the necessary approvals. Mr. Heath said that Mr. Yuen had reported that steps would be taken so the necessary approvals will be given by July 6, which is timely in terms of certification of the contract in the Controller's Office, so no further action was needed by the Commission. Mr. Heath said that he would continue to track this matter, and if action should become necessary, he would take care of it.

Commissioner Goosby asked if the liability of the joint venture had been resolved.

Mr. Yuen said that there was a percentage of the joint venture owned by a minority firm which would be involved in the management of the operations.

* * *

- (3) North Terminal Carpet
- (5) Housekeeping in Ticketing Lines

Commissioner Kadish said that she had questions on Item (3), North Terminal Carpet, and Item (5), Housekeeping in Ticketing Lines. Commissioner Kadish said that Commissioner Coblenz had requested that no gum be sold at the Airport, and that she had requested no smoking in the ticket lines. She said that both these requests are commented on in the Reports, but they also indicate that freon removes gum easily so that it would not be necessary to ban the sale of gum, and that there will be sufficient ashtrays provided for the ticket lines. Commissioner Kadish said that Tampa Airport forbids gum and if they can do it, San Francisco could also do it. She said that there was a lot of money invested in the carpets, and there should not be too many freon marks. Commissioner Kadish said that gum was a hangover from the days when planes were not pressurized and, for those who still feel it necessary to have gum, perhaps the airlines could be asked to carry gum. She said that she also seconded Commissioner Coblenz' request that gum be forbidden and, as for smoking in the lines, she felt that the carpets must be protected and the amount of housekeeping minimized. She said that since there was no smoking in the lounge area, perhaps there should be no smoking in the queues.

Commissioner Goosby said that he had no emotional feeling about the gum issue but he knew a number of people who found that going up in high places and the excitement of flying made them nervous and gum helped. He said that he was not so sure that the Commission wanted to vote until a policy was set on the matter, rather than vote in response to an individual Commissioner's wish.

Mr. Heath said that these matters had been discussed by staff and it was decided that the gum problem could not be eliminated by banning sales, as people come to the Airport with gum. He said that in addition, in checking with the custodial staff, it was found that gum was not a substantial problem. Mr. Heath said that the problem with banning smoking was the ability to enforce the ban: while signs could be put up, unless police officers were actually assigned to the lines to ensure people did not smoke, the ban would be difficult to enforce. Mr. Heath said that when people are nervous, waiting for something, those who smoke reach automatically for a cigarette. He said that the staff recommendation were based on these two things and it did not seem to be a good policy to adopt policies which might well be unenforceable and for which the cost of attempting enforcement might be substantial. However, Mr. Heath said that if the Commission wanted to adopt such policies, staff would do their best to enforce them.

Commissioner Coblentz said that people did smoke when they got nervous and would extinguish the cigarettes on the carpet so sufficient receptacles should be provided. He referred to the gum problem on Market Street, saying that it was a disgrace, and that the lessees should be on notice that they might have to get rid of their gum inventory in a hurry if he and Commissioner Kadish could get one other vote.

Mr. Heath said that no one was assigned to clean up Market Street and that the gum could be easily removed from the carpets with freon if the janitors work on it at once.

* * *

(2) Visitors Service and Passenger Information

Commissioner Goosby asked if the staff was planning to prepare some options for the program, and asked if other airports had such a program.

Mr. Heath said that Los Angeles had such a program, wherein employees were hired as Airport employees. He said that however, a major difference was that Los Angeles had a different structure within the City government. Mr. Heath said that his recommendation was to contract with an outside firm to supply the employees to handle the passenger service arrangement if it proved to be less expensive. He said that staff would be coming back with proposals for various levels of service with their approximate costs and then there would be the process of asking for proposals or bids to compare costs with these for City services. He said that then the proposals could then be accepted or rejected.

Commissioner Goosby asked about a third option, a consultant type of arrangement.

Mr. Heath said that he had asked the City Attorney, and his advice was that it could be done on a consultant or bid type. He said that if the process is one of "buying employees", he understood that it must be on a bid basis but if it was buying someone to design a program, then it could be the seeking of professional advice and could be a consultant type program. Mr. Heath said

that structuring of the program would govern the legal method of obtaining the services.

* * *

- (6) "Delay" Signs in Customs Area
- (7) Deok - Pereira, Foreign Currency Exchange Booth
- (8) Progress Report - Implementation of FIRM

No discussion of these items took place.

* * *

Agenda Items Initiated by Commissioners

- (1) Expenditure of Travel Money

Mr. Heath recommended that this item be put over until the next Commission meeting so that it could be redrafted. He said that he had discussed the matter with both Commissioner Kadish and the City Attorney and it had been decided that, as written, the resolution would require advance approval of every parking and mileage expenditure for personal vehicles.

Commissioner Kadish said that she understood that Mr. Heath wanted to also include other matters but not every little expenditure. She requested that the redrafted resolution be ready for the July 17 meeting.

* * *

Airport Policy/Major Operational Decisions

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously approved, as amended:

- (1) Amendment to Section 1.4.5 of Airport Rules and Regulations for Ground Transportation Services at Airport.

No. 79-0212 Amendment to Section 1.4.5 of Airport Rules and Regulations for Ground Transportation Services at Airport.

Mr. Heath said that this amendment covered the whole gamut of taxi rules, etc., and asked Mr. Peter Singer, Deputy Director of Business and Finance, to speak on the item.

Mr. Singer described the history of the item in order to refresh the memories of the Commissioners. Mr. Singer said that in May 1973, the Airport had signed a five-year agreement with Park 'n' Fly and Anza whereby five percent of the gross revenues for five years was to be paid to the Airport. He said that there was a provision in that agreement that the Airport would collect a reasonable

amount of money from all other courtesy car users of the Airport. Mr. Singer said that a portion of the agreement had never been carried out in full by the Airport, in that a number of hotel/motel courtesy and off-Airport rental car vehicles were not charged. He said that however, Anza and Park 'n' Fly continued to make payments beyond the date of the contract, eventually stopping in approximately October, 1978. Mr. Singer said that since then, there had been discussions with off-Airport parking lot operators, hotels/motels and car rental operators in an effort to achieve some degree of agreement.

Mr. Singer said that there had been litigation at the Portland Airport which proved an Airport does have the right to charge for the use of its roads, provided the charge is reasonable. He said that on that basis, staff proceeded to develop a schedule of charges, a draft of which was presented to the Commission at the last meeting. He said that the charges were to be \$150 per vehicle each month for off-Airport parking lot operators and \$75 for hotel/motel courtesy vehicles.

He said that over the past several months, there had been considerable discussion with respect to the limousine service. He said this service is currently handled by Associated Limousines of San Francisco with Airport Limousine Service of Sunnyvale serving as a subcontractor. He said that recently, the Sunnyvale operator had asked for a separate permit so that there would be two permits instead of one, and this item is a confirmation of the Rules and Regulations with respect to having two permits.

Mr. Singer said that tour buses have not paid for the privilege of parking in the lots surrounding the terminals, so staff had come up with a charge for that privilege which is believed to be reasonable, consistent and comparable.

He said that the SFO Airporter item was merely a confirmation of the existing rates under the existing agreement with Airporter service. He said that the other airporter services were Marin, Berkeley Airport Connection, service to Santa Rosa and service to Napa, and all except Marin had been paying a percentage on half the gross, while Marin had been paying \$50 a month. Mr. Singer said that continued discussions have been held with Marin for a year, in an effort to get them to pay a consistent amount.

Mr. Singer said that the problem with respect to auto rentals and courtesy cars, which constituted most of the ground transportation activities, was the question of enforcement. He said that while the Airport has the right to charge a reasonable fee, many of the operators are such that they come onto the Airport, spend a very short period of time, and leave immediately. He said that compliance needs to be voluntary in such cases, as it would be extremely difficult, as most other airports have found, to impose fees from a standpoint of enforcement. Mr. Singer said that some airports have ceased levying fees because of this problem.

Mr. Walter Walker, attorney with the firm of Handler, Baker, Greene & Taylor, representing Golden State Limousine Service, spoke to the meeting in opposition to Sec. B of Regulation 1.4.5. Mr. Walker said that the provisions were unlawful and beyond the scope of the Commission's authority, such as the requirement that the operator not holding a booth on the Airport must turn his passenger list over to the Airport. Mr. Walker said

that the entire provision fosters a discriminatory monopoly, and that no standards had been set for the selection of those operators who operated out of booths. Mr. Walker said that while Golden State held the same type of limousine authority as the existing operators nothing they could have done would have made it possible to obtain a booth and the right of solicitation. Mr. Walker said that there were two types of limousine charters: with one type, an operator could go to the State Public Utilities Commission, file evidence of insurance, pay a \$60 filing fee and receive a charter license, which thirty to forty companies have done, while presently only a few companies are authorized to provide per capita service, as they have to provide evidence that their services are required because the service of existing carriers does not meet the demands of the public. Mr. Walker said that the PUC had the authority to license, and there was controversy over the Airport's right to control these operators. Mr. Walker said that while 30 to 40 carriers were licensed to operate at the Airport, only six spaces were provided for these limousines. He said that Airport Limousine and Associated Limousine were allowed to solicit at the Airport, take walk-ups, etc., but that right had not been put out to bid, no standards provided, nor due process allowed for other certificated carriers.

Mr. Bill Lazar of Luxor Cabs spoke, saying that he was surprised at Mr. Walker representing Golden State. Mr. Lazar said that permits were issued to anyone who filed and used by the charter company without permission from the Airport, and without paying for the privilege. Mr. Lazar contended that the public gets ripped off because of the lack of regulatory powers of the PUC, and that the responsibility for enforcement gets passed back and forth between the Airport Police and the San Francisco Taxi Detail. Mr. Lazar said that he felt there were too many vehicles at the Airport now, and yet the PUC was reportedly giving more licenses. Mr. Lazar said that Associated Limousine held a San Francisco City and County License and was, thus, legitimate. He said that he felt that the limousine service should belong to San Francisco operators. Mr. Lazar also said that the Airport Police were having a problem with other limousine operators coming into the Airport and since no one controlled them, the public was going to get ripped off. Mr. Lazar said that there had been attempts to get legislation in Sacramento to stop the current way the PUC was functioning. Mr. Lazar urged the Commission to hold the permits down to the operators who were licensed by the City and County of San Francisco.

Mr. George Keyston, of Ansz Parking spoke in opposition to the proposed charges. He complimented Mr. Singer on doing a good job in reviewing the arrangements that Anza and Park 'n' Fly had had for some years. Mr. Keyston said that they had entered into the contract when it was agreed that the Airport would provide charges to other people using courtesy vehicles. Mr. Keyston said that although they had had the right to cancel the contract on an annual basis, they had hung in for five years, in spite of the fact that the Airport was not collecting equal charges from others. He said that he had been working with Airport staff over the past year in order to come to an agreement, since he felt the Airport was entitled to some fees, as long as they were not discriminatory. He said that they had no real objection to the concept of the rates submitted, but now that the specifics had been changed to where the parking lots were paying four times the charge levied against other courtesy vehicle operators, he was opposed to the current

schedule of rates. Mr. Keyston said that he felt the rates discriminated against the two operators who had worked with the Airport for over five years, since they were being asked to pay an amount seven or eight times the amount charged competitors. Mr. Keyston said that if the resolution were to be passed in its present form, he felt they would have to go back to court and have a Federal judge decide if it was discriminatory or not.

Commissioner Bernstein asked if Mr. Keyston was comparing his operation to the Hilton or one of the other hotels.

Mr. Keyston said that the Hilton paid a fee so they were not involved, but a Hyatt bus would be. He said that compared to the Parking Corporation of America in South San Francisco, which was not in business a year ago, and which would be paying \$300 a month, Anza would be paying \$650 a month or the amount paid the City in fiscal 1977-78, whichever was greater.

Commissioner Kadish asked if he felt that there would have to be some adjustment.

Mr. Keyston said that a courtesy bus for anyone requires the same amount of road usage and should be charged in a non-discriminatory way. He said that they agreed fully to double the fee, but to increase it as much as was anticipated was discriminatory, and they would have to take appropriate action.

Commissioner Bernstein said that with other people courtesy vehicle operators, the courtesy vehicles were auxiliary to their business, but with Anza, the vehicles were their entire business.

Mr. Keyston said that that was not so because all of the various businesses were airport-oriented. He said that while hotels are not only getting people from the Airport, the bulk of their business comes from the Airport. Mr. Keyston said that Anza stored cars for businesses and many other things which were not connected with the Airport. Mr. Keyston repeated that they voluntarily paid the fee, and would double that payment but there was still the same roadway usage by all. He also repeated that Judge Harris had ruled that the charges must be non-discriminatory.

Commissioner Bernstein said that the fact that there are difference in the costs would not necessarily make the fees discriminatory.

Mr. Keyston replied that they were paying for the use of the roadway. They had voluntarily said they would pay double, but that seven or eight times was discriminatory. He said that a car rental company pays \$75; a parking lot operator, \$350 (4 times); and that their fee would be eight times, or even higher.

Mr. Eldon Johnson spoke, saying that he represented several large capacity bus companies: Falcon Charter Service of San Francisco, Cal-Nevada Golden Tours, East-shore Lines, Franciscan, Peninsula, Scenic Highway Tours, Mark Four, TransCal, Peerless Stages and Gray Lines. He said that as opposed to the previous speakers, these large capacity carriers have had almost no chance to look at the proposed rule. He said that they found out at the very last minute, and while they were not really opposed to some sort of payment, he would like to suggest that the \$200 charge referred to in the memo be delayed until there was at least an exchange of views between the bus

operators and the Airport staff. Mr. Johnson said that staff had apparently tried to communicate with the industry but it had not materialized. Mr. Johnson said that he found several problems with the proposed rates, particularly that the \$200 a month charge per bus was very high. Another factor that he felt should be considered was the difference in the sizes of the companies as some had fewer than ten buses, while others had more than 30. Also, Mr. Johnson said that San Francisco Airport was the principal airport for a large area, and carriers from all over bring patrons to this Airport, sometimes only two or three times a month, while other carriers could be there two or three times a day. Mr. Johnson asked that the item be held over until the charter bus industry could contact the staff.

Commissioner Kadish asked how soon the material would be ready for the staff to consider.

Mr. Johnson said that he had already talked to Mr. Don Garibaldi, Airports General Counsel, and would like some give-and-take. He said that they would be ready to meet within thirty days.

Mr. Bob Leech, of Bob Leech's Auto Rental, spoke briefly to express total opposition to the courtesy vehicle assessment, saying that it was arbitrary and discriminatory; that no public purpose was being served; and that the Airports Commission was acting without a valid legal basis, as the action was not for safety or traffic regulation, but was a taxation policy. Mr. Leech presented a letter signed by several rental car companies which is on file with the Airports Commission Secretary.

Mr. Nicholas Schoombrood representing Pacific Car Rental, spoke at some length in opposition to the item. He said that he had appeared at the April 3 meeting and had spoken on this subject, and his remarks were the same. Mr. Schoombrood said that he considered this item to be an illegal exercise of authority on the part of the Commission, because the roads, which are dedicated to the public's use, are never closed for one day a year. Mr. Schoombrood said that this was a situation in which the Airport wanted the revenues; their chief concern was money and not the controlling of traffic on the roadways. He said that if the Airport wanted to charge for control of traffic, it could be done under police power, but it would be necessary to have San Mateo enforce that power. Mr. Schoombrood said that he would appreciate it if the Commission would withhold a decision for two weeks so that the matter could be discussed with counsel. Mr. Schoombrood said that he would like to have the Commission consider the nature of the charge, and the selection of people on whom the charge is placed. He asked how the Airport would charge a rental which picks up fresh fish from Europe twice a day, or a small operator who takes fresh flowers to the Airport once, or the air freight people who continually use the roads to deliver packages. Mr. Schoombrood also said that there was no enforcement provision in the item, and the only enforcement could come through the legal process.

Mr. Schoombrood said that Senator Marks had already introduced legislation that anyone who solicits at an Airport was guilty of a misdemeanor. He said that the majority of

such airport car rentals were not soliciting anything, because they were automatically given an opportunity. Mr. Schoombrood referred to Mr. Singer's remark that the Airport can charge for the use of its roads, based on the Portland case: he said that he had already discussed this matter with Mr. Garibaldi and that he did not believe that the Airport could. Mr. Schoombrood said that he was all in favor of a good San Francisco Airport, but he was not in favor of four or five car rental operators being assured, through the Commission, that they had no competition.

At this point, Commissioner Coblentz moved that sections A, B, and C be put over until July 17 as some serious legal questions and other problems had been raised and should be discussed. The Commissioner said that he had fifteen years' experience with the Board of Regents, with control over 15 University of California campuses, and it was not necessary to close down a road for one day a year to retain proprietary rights. Also, he said that there was a case pending in the U. S. District Court pertaining to car rentals, but recent actions by the Commission in opening up booths kept the Airport out of a similar situation.

Commissioner Coblentz then moved the approval of Item D, taxicab rates.

Mr. Heath suggested putting the rest of the item over for thirty days.

Commissioner Bernstein asked if the rates would apply retroactively.

Mr. Garibaldi said that he did not think they would.

Commissioner Kadish asked that staff investigate the retroactive aspect thoroughly.

Commissioner Kadish requested some changes in the taxi cab item: page 5, Sec. D, (1), (a) after "equip with a taxi meter" add "in working condition"; on the same page 5, Sec. D, (1), (b) after "...or device" add "in working condition"; on page 10, Sec. D, (6), gg, after "...pants" add "or skirts"; and on the same page 10 after Sec. D, (6), gg add hh, "failing to have a taxi meter in working condition".

Mr. Dirk Neyhart, a member of Local 265 of the cab drivers union, spoke about the taxicab rules, saying that he understood that one of the drivers had conferred with Officer Miller who came through with a number of amendments but that he hadn't seen the full text. Mr. Neyhart said that he had more questions.

Commissioner Bernstein said that he had understood that Mr. Neyhart was supposed to submit his questions to staff, who would then respond. He said that the only way the Commissioners could make an assessment was when they were aware of both the question and the answer. He said that if Mr. Neyhart had difficulty submitting questions to staff and in getting answers, that the questions should be directed to any member of the Commission who would then redirect the questions to staff. He said that Mr. Neyhart, with his full knowledge of the process, had agreed to that procedure.

Mr. Neyhart said that he had 55 questions, which he submitted and which are on file with the Airports Commission Secretary.

Commissioner Kadish said that she had been absent at the previous meeting when Mr. Neyhart had appeared but she had understood that he had some points to make and that he was going to submit them during the month when he could have been responded to.

Mr. Neyhart said that the Commission had made a request for help in making up its mind.

Commissioner Kadish said that when the Commissioners received a copy of Mr. Neyhart's questions, they would respond.

Mr. Craven said that there was a typographical error and the resolution document should read, "draft dated June 22, 1979". He said that the vote would be on Section D, as amended.

Commissioner Kadish asked Mr. Heath to deal within the month, if possible, on the first three items.

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

(2) Garage Contract

No. 79-0213	Resolution approving the bid specifications and approving the form and format of the contract, and authorizing the solicitation of proposals to select qualified bidders.
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Mr. Heath said that this was the first stage of a contract for the garage, which he proposed should go out in a two stage bidding process. Mr. Heath said that the first stage would be to select qualified bidders and the second stage would be the actual bidding on the contract. Mr. Heath said that the resolution before the Commission would only approve advertising for prospective bidders and the subsequent qualifying of them. He said that this resolution would not lock into concrete the operating agreement, which is still subject to change if the qualified bidders come in with suitable suggestions, but basic changes would not be made, such as from a management to a facilities contract. He referred to page 6, the biddable item, which is a dollar per employee figure. Mr. Heath said that the schedule referred to would be prepared and developed along with the contract itself and would indicate the number of employee hours anticipated as necessary to staff the garage operation. He said that depending on the amount of anticipated business, the number of employee hours could be expanded or contracted.

Commissioner Goosby asked if the specifications would spell out an actual suggested number of employees or would indicate a minimum number.

Mr. Heath said that a minimum would be given, the number of employees required to adequately operate the garage. He said that the contract will also provide that if additional services are required, the operator will be compensated at that rate per hour.

Commissioner Goosby asked if the fewer person-hours would be the bid amount or would it be possible to reject such a bid.

Mr. Heath responded that the contract would go to the responsible bidder who bid the lower number of probable employee hours. He said that the number of employee hours is not specified but will change as required.

Commissioner Kadish referred to a typographical error on page 11, item j, 2 where "hiker" should read "parker".

Commissioner Kadish referred to page 12, Sec. 9, f and asked how the determination will be made as to the number of spaces allowed for staff and employees.

Mr. Heath said that these spaces were for staff and employees of contractors.

Commissioner Kadish asked how many spaces currently were being used.

Mr. Singer said that the contractors presently have 125 spaces but that figure may be expanded or contracted.

Commissioner Kadish referred to page 16, five lines above the beginning of Sec. 11 and said that the wording should be changed from "company or person" to "company and person".

Commissioner Kadish questioned the page 28 referred to the Civil Rights Act of 1964 and asked if the first and second to last paragraph should not include race, color, sex or national origin.

Mr. Garibaldi said that the specific language used was required by the FAA.

Commissioner Kadish asked if it could be changed.

Mr. Garibaldi said that it could not be.

Mr. Heath said that there was another section which took care of the Human Rights Commission requirements.

Commissioner Kadish then asked about page 20 relative to insurance, and asked how the liability limits and rates were arrived at.

Commissioner Coblenz said that since petroleum was being sold, there could be a catastrophic accident and thought the terms should be reviewed by the insurance consultant.

Mr. Heath said that the Commission was not approving the exact terms of the contract at this time, and assured the Commission that the insurance rates would be reviewed.

Commissioner Goosby referred to the various alternative agreements and asked if the Commission was not now approving an operating agreement.

Mr. Heath said that the Commission was not, only trying to give prospective bidders enough information so that they will know whether or not they would be interested in trying to qualify.

Commissioner Goosby referred to the three options for the Human Rights component.

Mr. Heath said that this was the standard Human Rights Commission requirements, the standard language requested in contracts.

Mr. Mike Griffen of APCOA spoke at some length about the proposed resolution. Mr. Griffen said that it was incredible to him that a bid spec would be put out in which absolutely no investment was required, saying that the Airport would be turning over to someone a \$10 million facility with no investment whatsoever. In addition, Mr. Griffen said that there was a requirement for a \$250,000 performance bond but under the contract the Airport would reimburse for the cost of this bond. Mr. Griffen said that concession revenues are the basis for the award of any contract for an airport concession such as car rentals, restaurants, etc. He said that the bidder has the responsibility for the revenues which are derived in the Airport and they are compensated for that responsibility. Mr. Griffen said that he was not making an argument for a concession contract, but said that the Commission was building itself into a box on this bid by not requiring an investment, especially since an operator is generally measured by revenue. He said that an operator would be encouraged to put on more man hours, since he would have an element of profit in each of those man hours. Mr. Griffen said that his only suggestion was, as he had indicated earlier, that in addition to the man hours, there should be a commitment for a minimum guarantee that the operator will pay each year. Mr. Griffen said that otherwise, since the insurance, audit and all expenses are reimbursed, there would be only a small risk for losses. Mr. Griffen said that the Commission would be essentially turning over the total functioning of the parking garage at one of the best airports in the world.

Commissioner Coblenz asked Mr. Griffen what was done at Los Angeles, and how that contract compared to the one proposed here.

Mr. Griffen said that the staff at LAX had not seen fit to require a minimum guarantee.

Commissioner Coblenz asked what kind of investment he would suggest.

Mr. Griffen said that equipment, management, supervising, audit and performance bond costs should be part of the investment.

Commissioner Coblenz said that the airport at Los Angeles had not required these things.

Mr. Griffen said that the Port of Newark and LaGuardia have put them in; Kennedy bid on this basis in October, LaGuardia in January and Newark in May. He said that the proposed SFIA contract was contrary to these contracts but was similar to LAX. Mr. Griffen said that regardless of whether Los Angeles was right or wrong, SFIA had an opportunity to go along these lines. He said that to his way of thinking, the underwriting of all expenses was incredible. Mr. Griffen said that this would not be allowed in any other concession.

Commissioner Bernstein said that Mr. Griffen had inferred that by adding more personnel, the operator would make more profit.

Mr. Griffen said that he would because with every additional man hour, a certain amount of profit was built in.

Mr. Heath said that the operator would not have the unilateral right to add personnel. He said that the Director had that right, as he manages the contract. Mr. Heath said that Mr. Griffen's statements were not true.

Commissioner Goosby asked what would happen if, in three months, the service promised was not forthcoming and the operator added a number of employees. He said that there would be no incentive to run the contract, as the operator was not committed to a level of performance.

Mr. Heath said that the number of employees are fixed and if they are working as they should work, the service would be adequate. He said that if they were not handling the traffic, the manager would be at fault and employees could not be added, just to add employees. Mr. Heath said that Los Angeles had operated this contract for over a year, and had just renewed for a second year as the Director, Cliff Moore, had pronounced it the best contract LAX had ever entered into, and there had been no request for additional staff at that garage.

Commissioner Kadish said that her concern was not the matter of the number of employees when the Airport had the control, but the whole matter of the contract recipient really not making a capital outlay, whether for equipment, guarantee, or anything else.

Mr. Heath said that there would be an initial cash flow problem because of many expenses and a necessary wait for reimbursement. Mr. Heath said that the Leonoudakis firm had operated the garage for a number of years and have not had an investment in the garage. He said that the question, basically, goes back to whether this should be treated as a concession contract or a facilities management contract. He said that if investments, minimum guarantee, etc., are to be required, it would be a concession contract, regardless of what it is called. Mr. Heath said that it would be impossible to have a bid that said both the highest bidder with the highest minimum guarantee and that the lowest person-hour price would receive the contract. Mr. Heath said that the basic reason APCOA was questioning the proposed arrangement was that they wanted a concession contract. Mr. Heath said that that would have many advantages, but would not provide the flexibility in rates and other controls that the staff wanted.

Commissioner Coblenz said that the Commission had reached an agreement as to a facilities management contract.

Commissioner Bernstein said that he had been personally involved in about every type of contract and he thought that the success of any contract gets down to the integrity of the operator and the watchfulness of the owners. He said that either operation would be successful.

Mr. Griffen said that the basic factor was private enterprise. He said that it would no longer be private enterprise, because the garage would be carefully watched and controlled; no risk and no investment as it is commonly known. Mr. Griffen said that capital and a minimum guarantee should be required, to show that there is a commitment to succeed. He said that his company has other management contracts presently, which have a minimum guarantee. Mr. Griffen questioned the fact that the contract would be for one year but could be continued for four years at terms mutually agreeable, arrived at satisfactorily, by negotiation.

Commissioner Coblentz said that there would be no capital investment, and a person would bid for a one-year term.

Mr. Griffen said that it was important to ensure that the biddable factor didn't change. He said that there should be stronger language for the requirement for the management and staff to be local, the manager should be on duty at all times at the Airport, and that there should be continual security service at all times.

Commissioner Coblentz told Mr. Griffen he had made his point.

Mr. Heath said to Mr. Griffen that he had some very good suggestions which could be incorporated into the contract before it was actually bid, and asked that they be sent to the staff in writing.

Commissioners Coblentz and Kadish asked that the Commission also receive a copy of Mr. Griffen's suggestions.

Mr. Griffen again suggested further consideration be given to the biddable factor.

Mr. Russell Preston, from St. Mary's Square Garage which is operated by S. E. Onorato, Inc., said that his company had operated the SFIA garage from 1965 to 1968, and asked how they could be put on the mailing list for all relevant material. Mr. Preston was given a copy of the material presented at the meeting and was told he would be put on the mailing list.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously adopted:

(3) Approving the SFIA Terminal Area Master Plan

No. 79-0214	A resolution approving the June, 1979 SFIA Terminal Area Master Plan prepared by the joint venture of John Carl Warnecke and Associates and Dreyfuss and Blackford.
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Mr. Heath said that this resolution accepts and approves the Terminal Area Master Plan, a copy of which had been sent to each Commissioner. He said that the purpose of the approval was that changes could not be made without Commission approval.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolutions were unanimously adopted:

- (4) Termination of Contract with John Carl Warnecke and Associates and Dreyfuss and Blackford, a Joint Venture, Master Architect Services.

No. 79-0215 Resolution accepting the consultant's work as satisfactory and terminating the agreement for master architect professional services with John Carl Warnecke and Associates and Dreyfuss and Blackford, a joint venture.

- (5) Contract Modification No. 2, Professional Services Agreement with Howard A. Friedman & Associates.

No. 79-0216 Resolution approving Modification No. 2 to Professional Services Agreement with Howard A. Friedman & Associates, to:

1. Extend term of contract to June 30, 1980.
2. Increase scope of work to cover services required for the review of construction projects for compliance with the Master Plan, and for assisting the Bureau of Terminal Construction in the updating of the Master Plan.
3. Increase contract amount by \$40,000.00.

Mr. Heath said that these items made Howard Friedman the consultant for the Master Plan.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously adopted:

- (6) Approval of A.B.C. Leases in North Terminal.

No. 79-0217 Resolution approving and authorizing amendment to Leases of the "Newsstand and Bookstore" and the "Gifts and Sundries Shop" with A.B.C. Cigar Company for North Terminal building.

Commissioner Coblentz asked if the other leases were to be amended on a non-exclusive basis.

Mr. Heath said that that was correct.

Mr. Singer said there was no gum allowed in this particular amendment.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Coblentz, the following resolution was unanimously adopted:

(7) Central and South Terminal Newsstand and Giftshop Leases.

No. 79-0218	Resolution approving terms and conditions of four leases: one each for the operation of a "Newsstand and Bookstore" and a "Gift and Sundries Shop" in the Central and South Terminals, respectively, and authorizing invitations for bids.
-------------	--

Mr. Heath explained that this resolution pertained to new leases on the newsstand and gift shop in the Central and South Terminals and were for three years or, if the construction is not completed by the end of that period, to operate on a month-to-month basis, then to be rebid. Mr. Heath said that the terms and conditions were the same as for the North Terminal lease, with the exception that the percentage of gross revenues was lowered to 15 percent. He said that the bid item was the guaranteed minimum in each case, and other parts were the same as the lease for A.B.C. in the North Terminal.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was adopted, ayes (Kadish, Coblentz and Goosby), 1 nay (Bernstein):

(8) Resolutions Approving Two Sculptures and Two Paintings for the Art Enrichment Program, Authorizing Transfer of Funds to the Art Commission Account and for the Controller to Pay for These Works Upon Proper Documentation.

No. 79-0219 No. 79-0220 No. 79-0221 No. 79-0222	Resolutions approving two sculptures and two paintings for the Art Enrichment Program, authorizing transfer of funds to the Art Commission account and for the Controller to pay for these works upon proper documentation.
--	---

Commissioner Coblentz moved the item, plus the addition which had been submitted, saying that the situation had worked out very well in that there had been agreement as to prices, etc.

Commissioner Goosby asked if there would be pictures shown to the Commissioners.

Commissioner Kadish said that it was possible that arrangements could be made so that slides of the pieces could be shown, but that was not the best way. She suggested that a procedures be set up to show the slides, then the actual pieces purchased.

Commissioner Goosby asked to see pictures of what the Commission had bought.

Commissioner Kadish said that staff should ask if that could be done.

Mr. Heath said that staff was working with the Art Commission to produce a catalog of the paintings which had been purchased, and that he would try to get pictures to the Commissioners.

Commissioner Bernstein questioned the purchase of five paintings for some \$32,000.

Mr. Heath explained that these were some of the paintings which had been previously approved. He said that the records kept by the Art Commission were not complete, but after the meeting of the Joint Committee, they had been provided with copies of the Art Commission resolution indicating that they had been previously approved. Also, Mr. Heath said that Commissioner Kadish had found in her notes that the Joint Committee had seen and approved these paintings. He said that the additional item came in late because it was necessary to verify that all necessary approvals had been given.

Commissioner Bernstein asked how the odd amount of \$14,484 had been arrived at.

Commissioner Kadish said that taxes had been included.

Commissioner Bernstein asked if it would not be possible to have the art works appraised, just for verification of value, before several hundred thousand dollars were spent. He questioned the differences in the various prices and said that he was going to vote against that sort of thing.

Mr. Heath said that he had no problem with appraisals, since the paintings had been reviewed by Mr. Henry Hopkins, Director of the San Francisco Museum of Modern Art.

Commissioner Coblentz said that if the matter was left to the Art Commission he would concur with Commissioner Bernstein, but since Mr. Hopkins was very involved in this particular field and was sitting as the Airport's representative, he had sufficient confidence in Mr. Hopkins that he would vote for the item.

* * *

The following resolution was not acted upon by the Commission:

- (9) Resolution Approving Professional Services Agreement With San Francisco International Airport Medical Group, Inc.

This agreement will provide availability of medical services at the Airport 24 hours per day, for the period beginning July 1, 1979 to June 30, 1980, inclusive, at a cost not to exceed \$85,000.00. This agreement supersedes the previous agreement Resolution 78-0225 dated August 15, 1978.

Commissioner Coblentz asked that the item not be dealt with by the Commission until Commissioner Fleishell returns, because of Commissioner Fleishell's interest in the matter.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously adopted:

(10) Declaration of Emergency

No. 79-0223 Sewer line failure at Airport Facility.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

(11) Safety Consultant Services

No. 79-0224 Resolution approving and authorizing
Director to execute agreement with
Iver C. Larson & Associates for safety
consultant services.

Mr. Heath said that item was to continue the agreement that had been in effect for some years with Mr. Iver Larson, who has done an excellent job of consultation on safety matters and has served to keep the demands of OSHA satisfied.

* * *

Consent Calendar of Routine Administrative Matters

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following items were unanimously adopted:

(1) Completion of Professional Services, Irving L. Soffer, Consultant.

No. 79-0225 Resolution accepting the work performed
by Irving L. Soffer, Consultant, on the
review and evaluation of construction
claims and modifications of contract for
construction contracts, and authorizing
final payment in the amount of \$2,250.00.

Original amount of contract \$13,500.00
Final amount of contract 13,500.00
Original starting date January 1, 1979
Original completion date June 1, 1979

Mr. Soffer's contract was renewed by Commission for fiscal year 1979-80 at the meeting of June 19, 1979.

- (2) Landing Weights for Scheduled Airlines; Aircrafts Operating at San Francisco International Airport from July 1, 1979 through June 30, 1980.

No. 79-0226 Resolution approving the maximum gross landing weights for each type of aircraft operated by the scheduled airlines operating at San Francisco International Airport for the period July 1, 1979 through June 30, 1980.

The maximum gross landing weights must be updated each fiscal year to reflect all changes in aircraft type, and model.

- (3) Approving \$1,500,000 Special Revenue Bond Financing by the San Francisco Airport Improvement Corporation to Enlarge Western Airlines' Cargo Building on Plot 12.

No. 79-0227 The non-profit San Francisco Airport Improvement Corporation has requested approval for financing a 20,457 square foot addition to Western Airlines' Cargo Building on Plots 12 and 12B. City Planning has approved the project as not having an adverse effect on the environment. The amount of special revenue bonds proposed for issuance is \$1,500,000, but the City incurs no liability for repayment.

- (4) Approving Advance Right of Entry to the Federal Aviation Administration.

No. 79-0228 In the interests of flying safety, the Federal Aviation Administration must relocate and expand certain Localizer and Glide Slope facilities which are components of the Instrument Landing System for Runways 10R and 28L. An Advance Right of Entry will allow FAA to go to bid pending preparation of the lease documents.

- (5) Resolution Approving Lease and "Advance Right of Entry" - Federal Aviation Administration, Lessee and City and County of San Francisco, Lessor.

No. 79-0229 The Federal Aviation Administration desires to lease from the City and County of San Francisco certain locations adjacent to Runway 19R for installation, operation and maintenance of Visual Approach Slope Indicators.

- (6) Resolution Approving Amendment to Lease and "Advance Right of Entry" Federal Aviation Administration, Lessee, and City and County of San Francisco, Lessor.

No. 79-0230 The Federal Aviation Administration desires to install, operate and maintain an additional Visual Approach Slope Indicator for Runway 10L.

- (7) Completion of Airport Contract No. 1157R, Replacement of Sewer Piping, South Terminal Crawl Space.

No. 79-0231

Resolution accepting the work under Airport Contract No. 1157R, Replacement of Sewer Piping, South Terminal Crawl Space, as satisfactorily completed and approving final payment in the amount of \$925.00 in favor of the contractor, Pat Kennelly Construction Company, P.O. Box 669, South San Francisco, CA 94080.

Original amount of contract	\$18,500.00
Final amount of contract	18,500.00
Performance time of contract	60 calendar days
Effective date of contract	April 10, 1979
Original completion date	June 8, 1979
Actual completion date	April 20, 1979

This contract is not part of the Airport Expansion Program.

- (8) Completion of Airport Contract No. 1187, Security Check Point at Connector and North Terminal.

No. 79-0232

Resolution accepting the work under Airport Contract No. 1187, Security Check Point at Connector and North Terminal as satisfactorily completed; approving and requesting the Controller's certification of Final Modification No. 1 in the debit amount of \$145.48; extending the completion date from March 1, 1979 to May 4, 1979 and approving final payment in the amount of \$27,798.40 in favor of the contractor, J M Construction Company, 1175 Montgomery Avenue, San Bruno, CA 94066.

Original amount of contract	\$83,560.00
Previous modifications (none)	0
Modification No. 1 consisting of the following Change Order:	
No. 1, \$145.48 (Debit)	145.48
Final revised amount of contract	83,705.48
Performance time of contract	
Original contract time	60 calendar days
Extension of time (Mod. 1)	65 calendar days
Total contract time	125 calendar days
Effective date of contract	January 1, 1979
Original completion date	March 1, 1979
Modified completion date	May 4, 1979

This contract is part of the Airport Expansion Program.

- (9) Modification No. 1 and Completion of Airport Contract No. 1236, Grooving of Runway 1R-19L, South Half, \$93,371.41.

No. 79-0233

Resolution accepting the work under Airport Contract No. 1236, Grooving of Runway 1R-19L, South Half, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 1 in the amount of \$5,741.41; and approving final payment in the amount of \$93,371.41 in favor of the contractor, Hunt Contracting Company, 1627 Chico Avenue, South El Monte, CA 91733.

Original amount of contract	\$87,630.00
Modification No. 1 (Debit)	5,741.41
Final amount of contract	93,371.41
Performance time of contract	21 calendar days
Effective date of contract	May 15, 1979
Original completion date	June 4, 1979
Actual completion date	June 1, 1979

This contract is part of Federal Aviation Administration ADAP Project No. 6-06-0221-09.

- (10) Tenant Improvement: Pacific Southwest Airlines - Parts Storage Building at Superbay Hangar, \$180,000.

No. 79-0234

Resolution approving the final plans and specifications submitted by Pacific Southwest Airlines showing their proposed parts storage building adjacent to the American Airlines Superbay Hangar within PSA's sublease area at Plot 40. The project consists of constructing a single story, steel frame, metal sided building with a floor area of 5,400 square feet.

The work will be done by Pacific Southwest Airlines at its own and sole expense and without rental credit. The estimated cost is \$180,000.

- (11) Tenant Improvement: Braniff International, South Terminal Space Improvements, \$170,000.00.

No. 79-0235

Resolution approving the final plans and specifications submitted by Braniff International showing the remodeling of their ticket counter and offices at the upper level of the South Terminal and the construction of employee locker rooms and baggage service offices at the lower level in space formerly used for a flight kitchen.

The work will be done by Braniff International at its own and sole expense and without rental credit.

The estimated cost is \$170,000.00.

- (12) Amending Resolution No. 79-0131 by Splitting a Previously Authorized Rent Credit Between Delta and United Airlines.

No. 79-0236 Airports Commission Resolution No. 79-0131 previously authorized a \$263,755 rental credit to Delta Airlines to reimburse Delta for expenses incurred in its interim relocation to Pier "C". Delta has requested an accelerated playback, and this resolution will provide it by reducing Delta's rent credit to \$180,000 and giving United Airlines a rental credit for the balance of \$83,755. This latter amount is attributed to Delta's equipment and material purchases from United Airlines.

- (13) Resolution Approving Sublease from Trans World Airlines to Japan Air Lines.

No. 79-0237 Trans World Airlines, Inc. proposes to sublease to Japan Airlines 1,420 square feet of office space and 9,842 square feet of warehouse space in its Air Cargo Facility on Plot 3.

Mrs. Anita Maraviglia, representing AIR Force, asked to speak to Item (3), the enlargement of Western Airlines' Cargo Building.

Commissioner Kadish said that she appreciated that a lot of work had gone into this project and it was ready to move, and because of that, she said that she would not voice any objection, but asked that the Commission adopt a policy that there be a master plan for cargo facilities, just as one had been adopted for terminal areas, in order not to deal with these items on a piecemeal basis. She asked that a resolution be drawn up and adopted by the end of the year and that no other cargo facilities be approved until there was a total plan.

Mrs. Maraviglia said that correspondence had been carried on regarding this project which predated some of the Commissioners. She said that in 1977, the Joint Powers Board were asked to request a moratorium on cargo expansion until the Study was completed. Mrs. Maraviglia said that it was unfortunate that Western would ask for permission at this point since they knew that the Study was going on.

She said that there was an IER currently under way for Japan Air Lines and Flying Tiger, and Mrs. Maraviglia asked that Western be included with the other carriers. She said that there had been communication between her group and the San Francisco Planning Commission, and there had appeared to be good communication as well with the Joint Powers Board. Mrs. Maraviglia said that a letter with a number of questions had been sent to Planning, and their reply indicated that further action would be held up pending investigation. She said, however, that a Negative Declaration had been given without communication with her group and she considered this unfair treatment to those who had tried to stay on top of the project. Mrs. Maraviglia said that she was not bringing her objections up out of the dark, but that she had not been

advised of the progress of the project. Mrs. Maraviglia asked that the Commission delay action until the EIR process and the Land Use Study were completed.

Mr. Heath said that the Commission had previously approved the Western Airlines project, and this was the funding, although he did appreciate Mrs. Maraviglia's problems.

Commissioner Coblentz said that since there was a Negative Declaration and the Commission had passed a resolution approving the project at the last meeting, they could not go back and change what had transpired.

Commissioner Kadish asked that the resolution allowing no more cargo development until a master plan was developed be ready for the next meeting.

Mrs. Maraviglia said that the proposed master plan should include Western Airlines.

* * *

Consent Calendar for Contract Modifications

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolutions were adopted, 3 ayes (Kadish, Coblentz, Goosby), 1 nay (Bernstein):

- (1) Modification No. 5 (Debit), Completion of Airport Contract No. 650D, North Terminal - Interior Design Elements, \$1,884.09.

No. 79-0238

Resolution accepting the work under Airport Contract No. 650D, North Terminal Interior Design Elements, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 5 in the amount of \$1,884.09; extending the completion date from November 1, 1978 to April 12, 1979; and approving final payment in the amount of \$56,475.29 in favor of the contractor, Ralph Larsen & Son, Inc., 1849 Bayshore Highway, Suite 321, Burlingame, CA 94010.

Original amount of contract	\$498,000.00
Modifications Nos. 1 thru 4	47,912.00
Revised amount of contract to date	545,912.00
Modification No. 5 consisting of the following Change Orders:	
No. 13, \$ 329.00 (Debit)	
No. 14 1,555.00 (Debit)	1,884.09
Final amount of contract	547,796.09
Performance time of contract:	
Original contract time	116 calendar days
Actual contract time	331 calendar days
Effective date of contract	May 15, 1978
Original completion date	September 8, 1978
Actual completion date	April 12, 1979

This contract is part of the Airport Expansion Program.

- (2) Modification No. 59 (Debit) Airport Contract No. 1000,
Garage: Stage IV - Superstructure Addition, \$72,448.00.

No. 79-0239

Resolution approving and requesting the Controller's certification of Debit Modification No. 59 to Airport Contract No. 1000, in the total debit amount of \$72,448.00.

The contractor for this project is Robert E. McKee, Inc.

This modification directs contractor to operate the Central Heating and Cooling Plant and related appurtenances for an unspecified period of time subsequent to the substantial completion, starting and testing on each piece of equipment and/or system; and provides primary insurance coverage for the contractor under the City's boiler and chiller insurance policies.

Original amount of contract	\$50,414,395.00
Previous modifications	2,652,113.00
Revised amount of contract	
to date	53,066,508.00
Modification No. 59 (Debit)	72,448.00
Revised amount of contract	53,138,956.00

This contract is part of the Airport Expansion Program.

- (3) Modification No. 13 (Debit), Airport Contract No. 1015,
Garage: Stage V - Final Modifications, \$21,359.00.

No. 79-0240

Resolution approving and requesting the Controller's certification of Debit Modification No. 13, to Airport Contract No. 1015, Garage: Stage V - Final Modifications, in the total amount of \$21,359.00.

The contractor for this project is Titan Pacific Construction Corporation.

Modification No. 13 furnishes and installs steel beams spanning the air supply shafts in Cores BC and EF required for maintenance and removal of fans, as detailed in Bulletin 38R1 dated January 9, 1979.

Original amount of contract	\$13,925,744.00
Previous Modifications	
(Net Debit)	212,246.08
Revised amount of contract	
to date	14,137,990.08
Modification No. 13 (Debit)	21,359.00
Revised amount of contract	14,159,349.08

This contract is part of the Airport Expansion Program.

* * *

1. Items Removed from Consent Calendar

No items were removed from either Consent Calendar.

* * *

2. Communications (see below)

No communications were included with the Calendar.

* * *

3. Trailing Calendar of Old Business

Commissioner Bernstein asked if there was not supposed to be something on the concession plans for this meeting.

Mr. Singer replied that the concession material would be presented at the July 17 meeting.

* * *

2. Communication (continued)

Commissioner Kadish said that she had received a letter from the President of the San Francisco Planning Commission with a request for coordination of efforts between that commission and the Airport relative to transportation efforts.

Mr. Heath said that it was a request for funding for a study, and that he had not had a contact from Mr. Rai Okamoto, Director of Planning, as had been indicated in the letter, so he did not know what was being talked about. Mr. Heath said that he would be in contact with Planning in regard to what they wanted in terms of the study and funding. He said that he did want to cooperate in any planning study on transportation being made.

4. Adjournment of Public Meeting

There being no further business before the Commission, the public meeting was adjourned at 4:38 to go into Executive Section.



Eric Craven
Commission Secretary

. Items Removed from Consent Calendar

No items were removed from either Consent Calendar.

* * *

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No communications were included with the Calendar.

* * *

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* * *


. Communication (continued)

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. Adjournment of Public Meeting

There being no further business before the Commission, the public meeting was adjourned at 4:38 to go into Executive Section.



Eric Craven
Commission Secretary

Among the questions one might ask in consideration of the proposed taxicab rules are the following:

- 1) What is the purpose of each rule?
- 2) Will the rule achieve the purpose?
- 3) Is the rule necessary?
- 4) What is a "taxicab dispatcher", ~~xx~~ a "taxicab starter"?
- 5) Is there a cheaper way to identify cabdrivers?
- 6) Was the present Airport Operating Permit policy ever ratified by the Commission?
- 7) Is the \$5 presently being collected for replacing a lost ACP a reasonable sum?
- 8) Is there a charge for complying with 1.4.5.(G) 3bii?
- 9) Can a starter or dispatcher demand inspection of an ACP?
- 10) Does the Commission wish to prohibit cabdrivers from serving the Hilton Inn, Post Office, cargo areas?
- 11) Must a cabdriver who is serving friends or relatives or is responding to an order pay the toll and meet the party on the Lower Roadway?
- 12) What is "a safe and courteous manner" in 6(g)?
- 13) What limits are there to the authority of the dispatcher or starter? 6(i)
- 14) What particular words are proscribed? 6(j)
- 15) What does solicitation mean here? 6(l)
- 16) What? 6(q)
- 17) Can a driver unload at the Hilton Inn, P.O., cargo areas?
- 18) Does the Commission picture the average cabdriver as such a weak person that a prior restraint (abridging a 1st Amendment right) is mandatory, lest the driver be led into temptation? 6(u)
- 19) Ditto 6(v)
- 20) 8 Is the cabdriver prohibited from taking the most economical route (when that route is less direct)?
- 21) Can a cabdriver decline to note the date? 6(x)
- 22) How much baggage can the driver's compartment be forced to accommodate? Can the driver decline because of the safety risk? 6(y)
- 23) What does this mean (aa)?
- 24) Is the intent to prohibit the consumer more economical transport? (bb)
- 25) What is "a clean condition"? (cc)
- 26) What is "neat"? (dd)
- 27) Are dresses, boots, sneakers, sweaters &c prohibited?
- 28) Can multiple citations from the same event result in revocation?
- 29) Is there a time limit? would 3 violations in 10 years compel revocation?
- 30) When does the penalty period begin?
- 31) 8 Does the Commission believe the cabdriver will receive a fair and impartial hearing from three officers who are to judge whether another officer was correct?
- 32) How much will the police tribunal cost the Commission?
- 33) Does the Commission wish to give birth to a new bureaucracy capable of self-propagation?
- 34) If the Commission wishes to enforce dependence upon a bureaucracy what procedural and substantive safeguards to justice can it allow?

- 35) Will a presumption of innocence and a freedom from self-incrimination prevail?
- 36) Who pays for witnesses?
- 37) What limits on discretion exist in modification by the hearing board?
- 38) Does "set aside" mean acquit?
- 39) Does the Commission wish to invest the power of the Supreme Court in these policemen?
- 40) Does the Commission have jurisdiction to penalize infractions committed in other communities?
- 41) Has the City Attorney opined that no conflict with Proposition K exists?
- 42) What rules are new?
- 43) What rules constrain conduct already limited by the DMV? Calif Penal Code? Airport Police Code? San Francisco Police Code?
- 44) Are there any rules that are redundant?
- 45) Does the Commission wish to deny accommodation to handicapped and other hardship cases?
- 46) Which rules benefit the travelling public?
- 47) Which rules benefit the Commission's cash register?
- 48) Which rules benefit the Airport police?
- 49) Which rules benefit the taxicab dispatchers and starters?
- 50) Do the rules promote "life, liberty and the pursuit of happiness"?
- 51) Will the Commission usurp the authority of San Mateo County, or does the Commission wish to mulct the cabdriver twbte with rules already in the Penal Code?
- 52) What good has obtained from past enforcement of the Airport Operating Permit policy?
- 53) How many persons were consulted in the formulation of these rules?
- 54) What interest did each person represent?
- 55) What qualifications did each person possess?
- 56) What notice will the Commission give to the cabdriver of whatever rules it ratifies?

An informed judgment is a function of the information one has. Whatever information I have, I'll be happy to share with you.

Dirk Neyhart

June 29, 1979

TO: Airports Commission, City and County of San Francisco
FROM: Off-Airport Car Rentals
SUBJECT: Courtesy Vehicle Assessment

The undersigned are in receipt of Airports Commission memorandum dated June 15, 1979, which is to be submitted for approval on July 3, 1979.

Please be advised that we are in total opposition to the proposed assessment and in support of such position advise that:

- A- The assessment is arbitrary and discriminatory.
- B- No public purpose is being served by the assessment. If your intent is for safety or traffic regulation, the windshield sticker does not accomplish that.
- C- The Airport Authority is without a valid legal basis to make such an assessment if its concern is not for safety or traffic regulation, and assuming it's not arbitrary or discriminatory, - - it is in fact an attempt by the Airports Commission to institute a taxation policy. Where in the law does it permit this body to tax for the use of its streets?

Respectfully submitted,

Richard Kavin
GOLDEN WEST RENT-A-CAR
SAN FRANCISCO AIRPORT OFFICE
582 SAN BRUNO AVE.
588-4161

Max F. Thurst
ECONO-CAR
1484 Old Bayshore
Burlingame, CA 94010
347-8018

AMERICAR RENTAL SYSTEM
1530 Gilbreth Road
Burlingame, CA 94010
415-652-3134

John E. Sappington
AFFORD RENTACAR
297 E. SAN BRUNO AVE.
SAN BRUNO, CAL 94066
9520510

John W. [Signature]
AJAX RENT A CAR
SAN FRANCISCO INT. AIRPORT
1669 BAYSHORE HIGHWAY
BURLINGAME, CALIF. 94010
(415) 692-3330

Bob Lee
BOB LEECH'S 84 Autorental, SFO, Inc.

Norma J. Kuehn
AERO RENT A CAR
1280 Old Bayshore
Burlingame, CA 94010
415-692-3330

W. [Signature]
HOLIDAY RENT-A-CAR
12150 S. D. [Address]
Burlingame, CA 94010

John Kelly
AYCAR RENTAL INC.

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

Tuesday, July 17, 1979

AUG 22 1979

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Vice-President

WILLIAM K. COBLENTZ
DR. Z. L. GOOSBY
J. EDWARD FLEISHELL

RICHARD R. HEATH
Director of Airports

San Francisco International Airport
San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

Tuesday, July 17, 1979

Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m., in Room 282, City Hall, San Francisco, California.

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Roll Call:

Present: Commissioners Ruth S. Kadish, Morris Bernstein, Willaim K. Coblentz, Z. L. Goosby.

Absent: Commissioner J. Edward Fleishell.

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Pledge of Allegiance: Led by Commissioner Bernstein.

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Approval of Minutes:

The following resolution was adopted by order of Commission President Kadish:

No. 79-0242 Resolution adopting the Minutes of the Airports Commission meeting of July 3, 1979.

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Presentation by Airport Police Chief Barker:

Mr. Richard Heath, Director of Airports, introduced Mr. Harold N. Barker, Chief of the Airport Police, who wished to make a presentation to the Commission.

Chief Barker said that the California Peace Officers Association, with some 400 members attending, had held their Annual Conference at the Airport Hilton. It was noted at that conference that the Airports Commission had, by resolution, strongly supported not only the conference but the Airport Police. In appreciation for the Commission's and the Airport's support, a Certificate of Appreciation was prepared by the Association, which Chief

Barker presented. He also expressed his personal appreciation for the strong support rendered to him by the Commission and staff.

Commissioner Kadish thanked the Chief and the Peace Officers Association on behalf of the entire Commission.

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Executive Session:

Commissioner Kadish recessed the meeting at 2:34 p.m. for Executive Session. The meeting reconvened at 2:44 p.m.

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Mr. Eric Craven, Commission Secretary, reported on the Executive Sessions of July 7 and July 17. His report is attached and included by reference.

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Director's Report:

- (1) Advertising for Proposals of Concessions - North Terminal Building.

Report on the interest and proposals received as the result of the advertisement in the media by the Director for Concessions in the North Terminal building.

Mr. Heath made a brief report on potential concessions for the North Terminal, stating that many ideas had been received. The type of concessions desired had been widely advertised, and responses were beginning to come in from those ads. Mr. Heath said he had instructed Mr. Peter Singer, Deputy Director for Business & Finance, to send the same notification to all concessionaires and potential concessionaires who had, in the past, expressed an interest in doing business at the Airport. Mr. Heath said he would give an update at the next Commission meeting.

Commissioner Goosby asked if the Federal Office of Minority Business Enterprise (OMBE) was on the list supplied by the Human Rights Commission.

Mr. Heath said he was not sure, and Mr. Singer said he did not know either.

Mr. Heath asked that if anyone had any suggestions for other organizations to whom notices should be sent, they should notify Mr. Singer.

Mr. Singer reported that his Division was receiving from 10 to 15 calls daily as a result of the advertising.

Commissioner Kadish asked if the inquiries were about any particular kind of concession.

Mr. Singer said the types were spread out, but related to the specific concessions listed in the advertisements.

Commissioner Bernstein then introduced a resolution, to which there was no second, which would enable the Airport to retain the services of some private individual or firm to be in charge of leasing activities at the Airport. The Commissioner said he thought that the progress being made was too slow. It was taking much too long to handle those problems, and it would be much simpler to retain private services and do away with the Real Estate Department at the Airport.

Mr. Heath said that if this resolution was meant to replace the existing staff, the procedure would be a very long and complicated one. It would be necessary to go before the Controller and prove that hiring-out this project to a private firm would be cheaper. Mr. Heath said there was not only the question of costs but many other things involved. Currently, there were 140 different agreements which had to be handled and which were not the kinds of things that were normally handled by a private real estate firm. Mr. Heath said that if his resolution pertained strictly to a consultant or professional-services agreement, then it would be a different matter.

Commissioner Kadish said she understood there was one person at the Airport who was responsible for concession activity.

Commissioner Bernstein said he did not intend his resolution to include all the real property; he did intend it to mean all the retail property, leases, etc. The Commissioner said the Commission members were handed two documents as they entered the meeting and that he didn't know how they were expected to read them and pass on them at this meeting. Commissioner Bernstein said it was taking too long to get the stores under way for the North Terminal and that he thought it could be done by some agency or individual in the community who was accustomed to handling retail property. The Commissioner said he was utterly dissatisfied with the progress being made.

Mr. Heath said he was not certain there was anyone in the private sector who had the expertise for this particular project, as it must be bid on very specific terms and conditions in accordance with the City Charter. Mr. Heath said the requirements were spelled out in detail, not like a shopping center where matters were negotiated. Mr. Heath said there were some legal implications, and the proposed resolution could either speedup or slowdown the process. Mr. Heath said he thought that as a professional-service agreement to supplement the Airport operation it could be done fairly rapidly, depending on whether or not a supplemental appropriation would be required. If the services of a private individual or firm were planned as a replacement for services now being rendered by Civil Service staff, there would have to be a finding by the Controller that it would be cheaper. There would have to be a bidding procedure for prices to compare with the present costs. Mr. Heath said he was bringing up these points not to frustrate the plan but to point out that it could possibly take longer due to established City procedures.

Commissioner Bernstein said that speaking of speed, staff was starting at zero anyway. He said the North Terminal had been open for four months, although it should have been opened four years ago, and except for the Host and A.B.C. concessions, there were no concessions, so nothing would be lost. Commissioner Bernstein said he thought someone in the private sector should be retained who knew about leasing and that person be allowed to proceed. The Commissioner said it might be necessary to have a Charter amendment or to go before the Board of Supervisors, but he was willing to undertake either. Commissioner Bernstein said he was tired of consultants and modifications.

Commissioner Goosby said he didn't see this job as appropriate for a consultant, that it should be for a staff person, and asked how it would fit into the structure presently in operation

at the Airport. The Commissioner said he was as sympathetic as anyone would be who was attempting to facilitate the operation of new concessions. Commissioner Goosby asked about Mr. Harold Hecht, who had been hired as consultant on the concessions, and if his contract had been terminated and if any money was owing him. The Commissioner said that approval had been given two months ago to reorganize the Business & Finance Division and that the plan had included a staff person with expertise to be involved in the development and management of concessions. Commissioner Goosby asked if the person whom staff had thought to have expertise in that area really had the ability to facilitate the implementation of concessions. He said the resolution should be considered from that point of view. Commissioner Goosby said he had read through the Booz Allen report on the proposed reorganization which discussed an area for leases and concessions and asked if this was the same position or some other position previously discussed.

Commissioner Kadish said it was her impression that the type of person Commissioner Bernstein referred to would be hired-out on a contract basis, job by job, rather than becoming a member of a staff. She asked Commissioner Bernstein if he knew of someone who had the expertise and had dealt with a particular building or set of buildings.

Commissioner Bernstein said he was talking about Ed Plant who had handled the Embarcadero Center and Stonestown. He said there were several people in the community who were accustomed to retailing and renting-out stores.

Commissioner Kadish asked if Commissioner Bernstein saw him as part of the staff.

Commissioner Bernstein said he wanted to get stores for the Airport which were representative of the City and County of San Francisco; the procedures had been going on for month after month, and he thought it was time something got done.

Commissioner Coblentz said he understood the frustration, shared it, and that he really objected to getting the contracts at the start of the meeting and not having a chance to read them. Commissioner Coblentz said that while he understood the resolution to some degree, he was not sure it was the only answer. He said he had had the opportunity to meet with Commissioner Bernstein and Mr. Plant to discuss some things, but he would not vote for the proposed resolution at this meeting, as he wanted to see what others had to say. He said it would be well worth the wait even if time was of the essence. At this point, Commissioner Coblentz moved the matter be tabled until the next meeting.

Mr. Heath said staff would have a report prepared for the August 7 meeting.

Commissioner Kadish requested that the input from the Commissioners be included in the report, particularly Commissioner Bernstein's views, as she thought the points he was raising were particularly significant. She said that as long as the space was not turned over to concessions, revenues from what could be good revenue-producing operations were not being produced and that good economic and business judgment would indicate that staff should move ahead at all speed.

Commissioner Bernstein said the traveling public was not being served, either.

Mr. Heath said he wanted to speak in defense of the staff, saying the recommendations on concessions were first brought to the Commission on June 6, 1978, but were rejected. In August, 1978, recommendations were made on procedures and were also rejected. Mr. Hecht was hired as consultant but produced a report which was unacceptable to both Commission

and staff and which did not respond to the situation. Mr. Heath said it was not until the meeting of June 6, 1979, that staff received authorization from the Commission to go ahead with any leases in the North Terminal, and it was impossible to negotiate any leases without such authority and the Commission's decision on the types of shops, locations, and standards to apply. Mr. Heath said there was a great deal of paper to be processed, also.

Mr. Heath said that the position in Concessions & Properties requested of Civil Service by the Airport had been so downgraded by the Board of Supervisors' Budget Analyst that it was no longer appropriate. Mr. Heath said that the Los Angeles Airport employed the proper kind of people at much higher salaries and that he would try to get the position here revised. Mr. Heath said there was frustration due to the necessary administrative procedures.

Commissioner Bernstein said he would not debate the matter and that while June 6 was the first time any approval had been given, the matter had been discussed many times. The Commissioner said if the problem was a matter of paper work, he was going to ask the Airports General Counsel to prepare a Charter amendment or something so the red tape could be cut. Commissioner Bernstein said he intended doing that immediately and was going over to the Board of Supervisors to see if the paper work couldn't be cut. He said he was willing to put the proposed resolution over for two weeks, but he expected some solution at the end of that time.

Commissioner Bernstein asked Mr. Don Garibaldi, Airports General Counsel, to give him a report on the many problems so he could present it to the Board of Supervisors to find out how the matter could be expedited.

Commissioner Kadish asked for a presentation from staff at that meeting, with input from appropriate Commissioners, with a planned solution of the whole matter of concessions.

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(2) Public Service Program 1979-80.

Recommendation for action on a proposed Public Service Program for fiscal year 1979-80 to provide passenger service and public information services in the terminal buildings for users of San Francisco International Airport.

Mr. Heath said the basic recommendation was utilization of the present CETA employees and concentrating them in the International Arrival area as they were bilingual, continued use of Travelers Aid in the booths on the upper levels of the terminal buildings, and provision of additional information booths on the lower levels with unmanned kiosks connected by phone to the booths with people in them. Mr. Heath recommended that rather than hiring personnel, the service should be by contract so that the staff of the Airport would not be increased. The program costs should be reduced as much as possible, and the present cost estimate was \$300,000 a year. Mr. Heath said he thought it would not run more than ten percent above that figure and could go as low as 30% under. Mr. Heath said there had been some preliminary discussion with possible contractors which indicated that the \$300,000 would probably be the high figure. Mr. Heath said he was not asking approval of the total plan but only for suggestions, prior to coming back with a bid package.

Commissioner Kadish asked if the plan would be presented at the next meeting.

Mr. Heath said that depended on the time necessary for Commissioner's review, but his preference would be the August 7 meeting for further discussion.

Commissioner Goosby said there had apparently been changes in the thinking of the staff as he understood that the plan could not be put in operation without going to bid.

Mr. Heath said he thought that had been discussed last year when staff initially presented a more ambitious proposal with a million dollar price tag. That cost was more than the Commission was willing to consider.

Mr. Heath said it was necessary to have a supplement to the existing passenger service program, in terms of information and services available to the traveling public and staff was attempting to provide an adequate level of service at a much lower price, probably for around \$250,000 annually.

Commissioner Goosby asked if people would be hired under this proposal.

Mr. Heath said the recommendation was that a contractor would be secured who would hire and train the necessary personnel to man the information booths. The contractor would also coordinate the program with Travelers' Aid, the Garage, the present CETA Program and all information services. The contractor would also provide training to all Airport employees, so they would also be available to provide service in a courteous and efficient way. The contractor would also oversee the kiosks throughout the terminals, provide maps, etc.. If the questions were not answered at one booth there would be phones available with immediate hook-up to a manned booth.

Mr. Heath said there would also be a staff person to oversee the whole program but that would not be a full-time job.

Commissioner Goosby asked if it would be a concession and be put out to bid.

Mr. Heath said it was planned to be more like the garage operation, where a manager would be hired to do the necessary job. He said that one of the present staff members would be assigned the responsibility of overseeing the contract, which was now standard procedure.

Commissioner Kadish commented that this was an adjustment within the administration itself, so would not be so costly.

Commissioner Goosby asked Mr. Garibaldi if this would have to go to bid because whenever a service is obtained for the Airport where the contractor hired the personnel, it was necessary to bid.

Mr. Garibaldi said the only contract that could be negotiated was the professional services agreement.

Commissioner Kadish said that this proposed contract would be similar to the janitorial contract.

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Agenda Items Initiated by Commissioners

On motion of Commissioner Coblenz, seconded by Commissioner Bernstein, the following resolution was unanimously adopted.

- (1) Policy on Out-of-State Travel

Resolution establishing the policy of the Airports Commission in regard to expenditures for out-of-state travel for Commissioners and Airport staff, and approval thereof.

Mr. Heath said this resolution was prepared in response to a request made at the last meeting and briefly explained the resolution.

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Agenda Items Involving Airport Policies or Major Operational Decisions

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

(1) Delta Air Lines Stand on FAR 36 Compliance

No. 79-0245

Resolution commending Delta Air Lines for their stand on the Noise Bill and for their plans to comply with FAR 36 standards within the present deadlines, and directing the Secretary of the Commission to send copies of this resolution to appropriate officials of Delta Air Lines and to citizens interested in this Airport's noise problems.

Mr. Heath said that Delta Air Lines, in testimony before Congress, had broken ranks with the other airlines and strongly opposed any move to relax the present FAR Part 36 deadlines. Mr. Heath said when he saw the report of this action in Aviation Daily, he felt it appropriate to prepare a resolution commending Delta, especially since it was also the position of the Airports Commission that whatever noise bill was passed, there should be no erosion of the deadlines.

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On motion of Commissioner Coblenta, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

Open Taxicab Transportation System Operating Agreement

No. 79-0246

Resolution approving and authorizing Director to enter into an Open Taxicab Transportation System Operating Agreement with Airport Parking Management of San Francisco a joint venture.

Mr. Heath said this resolution was the result of an emergency situation which arose the previous week, and briefly explained the background. When Yellow Cab went bankrupt in early 1977, a change was made in the way taxicabs were handled and a contract negotiated with Mr. Robert Zbikowski to regulate the taxis.

There have been many complaints about performance under that contract.

Mr. Heath said that the employees of Mr. Zbikowski exercised the right to unionize and voted to be represented by Local 3, which was certified by the National Labor Relations Board. The Local entered into negotiations with Mr. Zbikowski but the resulting proposed contract would have cost a great deal more in expenses and the Airport would have had to reimburse those expenses out of gross revenues. The cost would have been raised about \$500,000 annually, up from \$250,000. He said that \$300,000 was expected in revenues. Mr. Heath said it was not possible to proceed with that agreement, since the cost would have exceeded the revenues. The other alternative would have been to raise the cost of the taxi tickets from \$1.50 to \$2.50, but that would have come out of the pockets of the cab driver themselves, not from taxi fares. Mr. Heath said that staff had informed Local 3 that the whole matter would have to be brought before the Airports Commission, and as of Friday afternoon, July 6, staff thought everyone understood the situation.

Mr. Heath said that at 6:30 a.m. Sunday, July 8, Local 3 called a strike at the Airport which resulted in some picketing and considerable chaos. He had to take immediate action and called in the Airport Police, on an emergency basis, to take over the taxicab lot operation. Mr. Heath said that on Monday, as a result of the whole history of the lot, he exercised his right as Director to cancel the Zbikowski contract. It was then necessary to find an alternative manager to run the taxi lot operation on a temporary basis, and it appeared that the logical choice was the San Francisco Parking Management, which operated the garage.

Mr. Heath said SF Parking had hired back certain employees of Mr. Zbikowski, and all reports were that the operation was working better now than it had previously. Mr. Heath urged the Commission to approve the proposed resolution, with the understanding the contract was cancellable on 24 hours' notice. Mr. Heath said that the contract could later be rebid as a separate contract or bid as a part of the garage contract, and staff would have their recommendation on this question to the Commission at the next meeting.

Commissioner Coblenz said he had received an undated letter which raised questions, such as would San Mateo cabs be permitted to serve the Airport; would the ticket charge go up from \$1.50 to \$2.00 or more; also it stated that the Leonoudakis firm didn't have to reimburse the City; if audited, the firm had to pay the costs only if their figures were more than two percent off. Commissioner Coblenz asked if this wasn't just a new entity running the same operation.

Mr. Heath said there was no motion to increase rates, as staff thought the operation could be run more efficiently and at less cost. He said it would be totally inappropriate to raise the rates until there was a rate change in the fares by the Board of Supervisors, as any increase would have to be paid by the cab drivers. Mr. Heath said that he had received more compliments on the new management of the taxi lot in the past week than in the last two years.

Commissioner Goosby asked who the strike was actually against, and was informed it was against Mr. Zbikowski, not the Airport.

Commissioner Kadish said that if there was \$500,000 gross payment, one percent of the gross to the operator would be \$5,000 plus expenses annually.

Mr. Heath said that staff had no objection to approving expenses which reimbursed a reasonable rate of pay.

Commissioner Goosby asked if those expenses would not reflect the raises negotiated by Local 3.

Mr. Heath said he assumed that they would negotiate wages and fringe benefits far superior to what the employees previously received, but it was impossible for the contractor to hire so many people that the costs would be run up to exceed the revenues.

Commissioner Bernstein said there appeared to be no change whatsoever from the previous operation.

Mr. Heath said the change was in the manager, that the method and the dollars were the same. However, the net to the Airport might be different, depending on the number of people San Francisco Parking Management utilized to run the operation, and that firm felt they could do the job with less personnel than before. Mr. Heath said that while those working would be making higher wages, the total cost to the Airport might be a little less or a little more.

Commissioner Bernstein asked if the public interest would be served by resorting to the previous method of having a consortium.

Mr. Heath said that would be difficult in San Francisco today, as there were so many independent cab drivers. He said that even the contract with Yellow Cab had been chaotic, it's main advantage was that it produced a great deal of revenue for the Airport.

Commissioner Goosby said the contract should be bid as soon as possible, regardless of the procedures used, and he understood the present contract was to be of a temporary nature, until it could be bid as there was no guarantee that the result of the negotiation with the Union could be a package even more expensive than the one Mr. Zbikowski negotiated.

Commissioner Kadish said the Commission had said that there should be as much spreading out of concessions as possible, rather than amalgamation of services.

Mr. Heath said that in preparation for the bid package, there should be input from S.F. Parking Management, some economics of operation, the plusses and minusses. Mr. Heath said he would have the necessary information on whether it should be part of the garage contract or separate to present to the Commission for consideration at the next meeting.

Mr. Bill Lazar, Manager of Luxor Cabs, spoke to the meeting, saying he didn't mind the temporary measure, but he thought the industry itself should be involved in the operation of the lot, rather than just giving it to the Leonoudakis firm. Mr. Lazar said that the industry and the Airport should work together before any contract is signed, as regulations were needed for protection. Mr. Lazar recommended that the cab industry get together with Mr. Heath, the Airport Police, and the Union to work out a program for the protection of all concerned.

Commissioner Kadish said she was sure Mr. Heath would welcome Mr. Lazar's suggestions and a better document was always achieved when there was cooperation involved in its preparation.

Mr. Heath said he was particularly happy to receive Mr. Lazar's input, as he was a very responsible person.

Commissioner Goosby said all suggestions should be incorporated into the document.

Mr. Heath said it was necessary to have someone on hand immediately to manage the operation, so it was given to San Francisco Parking Management as a temporary measure.

Commissioner Goosby said he wondered why, if the service had been that bad, it had taken a strike to come to the conclusion it was necessary to change managers.

Mr. Mike Parrish, President of the Cab Drivers and Chauffers' Union, spoke to the meeting, saying his main concern was the \$1.50 charge to the cab drivers. He said in the past, Yellow Cab Company paid the fee and while the cost may have been switched to the driver in some way, now the drivers found themselves in the position of having to pay to serve the Airport, and had to pay the fee out of their net price. Mr. Parrish said the drivers had had no input, had never been consulted, on the matter of fees.

Mr. Parrish said he was very concerned that if the operation costs go up, the Airport would consider raising the fee to the driver to cover that cost. Mr. Parrish said that even after the temporary situation, the contract would be managed by someone other than Airport staff, and the drivers would still have no contact or input with the people setting the fees. Mr. Parrish said it didn't seem right to the cab drivers, the men who were doing the work, that they had nothing to say about the management and yet the fee came out of their pockets.

Mr. Parrish made some allegations about the former management, stating it had been corrupt and that there had been pay-offs from the drivers to the starters on the line.

Commissioner Bernstein asked Mr. Parrish if he was telling the meeting that in former years the drivers had to kick in besides the \$1.50 they paid in the line.

Mr. Parrish said at the Airport there were two lines, a legal line and a short line. If a driver knew the right person, slipped him a dollar, he could get in the short line instead of waiting in the legal line. He said that had been the practice for the past ten years at least, even when Yellow Cab had the concession. Mr. Parrish suggested that the short line immediately be abolished.

Commissioner Bernstein asked if anybody had ever complained to either Mr. Heath or Mr. Turpen.

Mr. Parrish replied it had been the system for at least ten years.

Commissioner Bernstein asked if this had been done for ten years and yet no one complained. He said that type of accusation in open meeting did a great disservice to a great many people, and the implication that such corruption continued to be covered up was very serious.

Commissioner Kadish said the frustration the cab drivers felt was of not having input, and said that any time there was a complaint, if that person either put it in writing, called or came before the Commission, his point of view would be noted. Commissioner Kadish said, however, that wouldn't be necessary if the drivers became a part of the procedure. The Commissioner said if the drivers felt they could produce a better system than the existing one, she would suggest that Mr. Parrish become a part of the process, representing the cab drivers.

Mr. Heath responded to Mr. Parrish's last statement, saying that the cab drivers and the union had been asked to come in and make sworn statements on the allegations of misconduct. Mr. Heath said he could take no action in terms of rumors and unfounded allegations. He said that each time a letter is received, the writer is asked for the time, place and background of each complaint. He had asked if people would be willing to sign a statement or go to court. No one has been willing to do these things. Mr. Heath said there was merit in eliminating the short line. He said, also, that he had discussions with Mr. Robert Simcox, in an attempt to get the taxi lot operation running better than it had in the past.

Commissioner Kadish asked Mr. Heath to contact Mr. Parrish during the negotiations for a new contract.

Mr. Lloyd Small spoke to the meeting, saying he had worked at the Airport as a supervisor for Mr. Zbikowski for just under two years. Mr. Small said Mr. Parrish's accusations were true and he had had written communication to the Airport, but Mr. Lou Turpen, Deputy Director for Operations and Maintenance, had refused to entertain them. Mr. Small said that Yellow Cab had not been able to handle the contract properly, even before the independents. Mr. Small said Mr. Lazar had been talking about \$2.50 for each load, \$1.50 of which went to the Airport and \$1.00 for bookkeeping costs. Mr. Small said he understood Mr. Zbikowski received two percent of the gross revenues, but that the Commission wished to avoid that again.

Commissioner Kadish corrected Mr. Small, saying that Mr. Zbikowski had been getting one percent of the gross revenue, plus salary.

Mr. Small said at one time there were nine full-time employees and three part-time, but the new personnel agreement Mr. Zbikowski had made provided for 33 employees and, needless to say, no one could run a contract with that kind of escalation. Mr. Small asked why Mr. Zbikowski was fired, that previously there had been at least 50 phone calls to Airport Administration but even with that many complaints, no Police Officer had been sent to investigate. Mr. Small said that Luxor had never paid a fee back to the Airport and he wished the Commission would look into the taxi lot arrangement more thoroughly.

Mr. Lee Brasted, Business Representative for Local 3, spoke to the meeting, saying he had been the person responsible for the strike that occurred. Mr. Brasted said that the employees had requested representation by a union, but this had been accomplished only after more than a year of waiting for final authorization by the NLRB. Mr. Brasted said when the union closed the negotiations with Mr. Zbikowski, it was the basis of 10 or 13 fewer employees than he had last employed. Mr. Brasted said there was no question but that the cost of the taxi operation would have to increase, since the employees had worked in their capacity for two or three years on wages only, with no fringe benefits. Even if the wages remained the same, there undoubtedly would be an increase in cost because of the fringes now being granted. Mr. Brasted said the union could not understand the increased number of employees Mr. Zbikowski was hiring, and how that number of people could be required.

Mr. Brasted said the strike occurred because the employees had had to wait for a considerable period of time, although he had managed to stave off an earlier strike. The employees learned that the increased costs would be tied in to the taxi lot and they became very concerned as they didn't feel the increase in rate at the gate was necessary as they knew the job could be done with fewer employees.

Mr. Brasted said the strike had been on only a couple of days when the union learned there was a replacement contract, and the pickets were pulled off in order to provide an opportunity for the new person responsible for the taxi

lot to meet with them, etc. Mr. Brasted said he felt that with the gross income from the taxi lot, the costs of the union contract could be met and the Airport could still realize a clear profit.

Commissioner Kadish said that the taxi drivers must be given a fair shake in order to have them provide the best service to the Airport and to the travelers. She said it was important that staff work with the drivers to achieve the desired goals and have ~~them~~ participate in the ultimate decision.

Mr. Heath said he quite agreed; that Mr. ~~Simcox~~, Mr. Turpen and he had walked the whole operation, considering ways to make it better. Mr. Heath said if the cab drivers and the unions wanted to make recommendations, staff would consider them. Mr. Heath also commented that during the course of the strike, the members of Local 3 conducted themselves in a highly professional manner and were basically cooperative. Mr. Heath said he was sorry the strike occurred, but he could understand the situation and did not blame the unions, and that he only wished there had been some consultation on the Saturday evening prior to the strike.

Commissioner Kadish said that if the Commission and staff were cooperative, perhaps it would be easier.

Mr. Heath said he supported the efforts of Local 3 to get these employees decent wages, etc., that was not the question. The question was one of running the taxi lot within limits. Mr. Heath said negotiations were now going on between San Francisco Parking Management and Local 3, and there was no question of changing the union representation.

Mr. Bob Bartlett introduced himself as a Chronicle reporter and asked what the organization did and why was the Airport spending thousands of dollars a year on this service. Mr. Heath asked Mr. Turpen to leave the meeting with Mr. Bartlett and answer his questions so Mr. Bartlett's news deadline could be met.

Mr. Dirk Neyhart spoke to the Commission and said he was responsible for distributing some material which contained some errors. He said he had hoped for, but hadn't heard, consideration given to the practice of charging \$1.50 and that it might come to pass that the drivers would be asked to pay even more since through the negotiations going on, the Commission will make less money. He felt that in order for the Commission to realize significant income, the gate price would be raised, and that would represent an unfair charge.

Commissioner Bernstein asked Mr. Neyhart who had said the gate price would be raised.

Mr. Neyhart said he had heard that it would be. He said that the cab drivers pay five times more to serve each passenger coming through the Airport than United Airlines does for each of their passengers, and he asked for a comparison of UAL money versus cab money going to the Airport.

Commissioner Kadish said it had been agreed that it would be worked out and if Mr. Neyhart had anything the staff could use, the staff would be grateful for substantive information.

Commissioner Goosby said the faster the new contract could go out to bid, the better, and asked if it would be put on the Trailing Calendar.

Mr. Heath said staff could come back as soon as possible with a recommendation as to the type of bid, whether to be an individual bid or a part of the parking garage bid. Mr. Heath said, hopefully, the decision could be made by the Commission at the next meeting, on the basis of staff recommendations.

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No Commissioner made a motion to adopt the following motion, but the Commission gave extensive consideration to the item.

- (3) Organizational Report and Recommendations and Airport Goals and Objectives for 1979-80.

Resolutions approving the report and recommendations of the Airport's consultants, Booz, Allen and Hamilton, on the reorganization of Airport staff and functions and the report on Airport goals and objectives for 1979-80.

Commissioner Kadish asked that this resolution be put over and heard in Executive Session, since it pertained to personnel matters.

Mr. Heath said that Mr. Peter Henschel, from the Mayor's Office and head of the FIRM Project, had asked to make a statement on the Objectives portion of the item.

Mr. Henschel said he had appeared before the Commission some months ago and discussed the major objectives of the City-wide effort in management improvements, the first step of which was Goals and Objectives. Mr. Henschel said that the Airport had asked to be a major, visible pilot project. Mr. Henschel said that the Airport's efforts have been excellent, and the specific objectives set provide a way for the staff to effectively manage the Airport. The Mayor was pleased at the auspicious beginning. Mr. Henschel said the Airport staff had done a great deal of work, and the consultants retained by the Airport were to be commended.

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On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously adopted, as amended:

- (4) Master Plan - Cargo Facilities

No. 79-0247

Resolution requiring the development of a Master Plan for Cargo Facilities, and the disapproval of any more such facilities until the Plan is developed.

Mr. Craven announced a change in the first clause of the proposed resolution, changing the wording so that a moratorium would be put on the acceptance of applications for cargo facilities.

Mr. Frank Nakashima*, representing Japan Air Lines, said his company had been in contact with the various departments of the Airport for the past several years, seeking a feasible solution to their cargo space problem. Mr. Nakashima said JAL had been operating in an old facility on a short-term basis to tide them over until their own cargo facilities became available.

Mr. Nakashima briefly recalled the history of the planning for a new facility for JAL, saying the preliminary planning and development drawings had been submitted in 1975. There was technical review in 1978. Mr. Nakashima said preliminary studies by the Joint Land Use Study identified land area requirements for air cargo facilities, and the above steps encouraged JAL to proceed with their development plan. Mr. Nakashima said they were further encouraged by a letter from Mr. Singer in 1978, confirming that preliminary negotiations were underway between JAL and Airport staff for a long-term lease.

Mr. Nakashima said JAL had already invested a large sum of money and was working on site soil testing. Mr. Nakashima went over the planned schedules. Mr. Nakashima said JAL was not totally against the proposed resolution, but requested Commission consideration of making an exception and allowing JAL to proceed as scheduled.

Commissioner Kadish said she understood there might be a possible change in the use of the land around the Seaport.

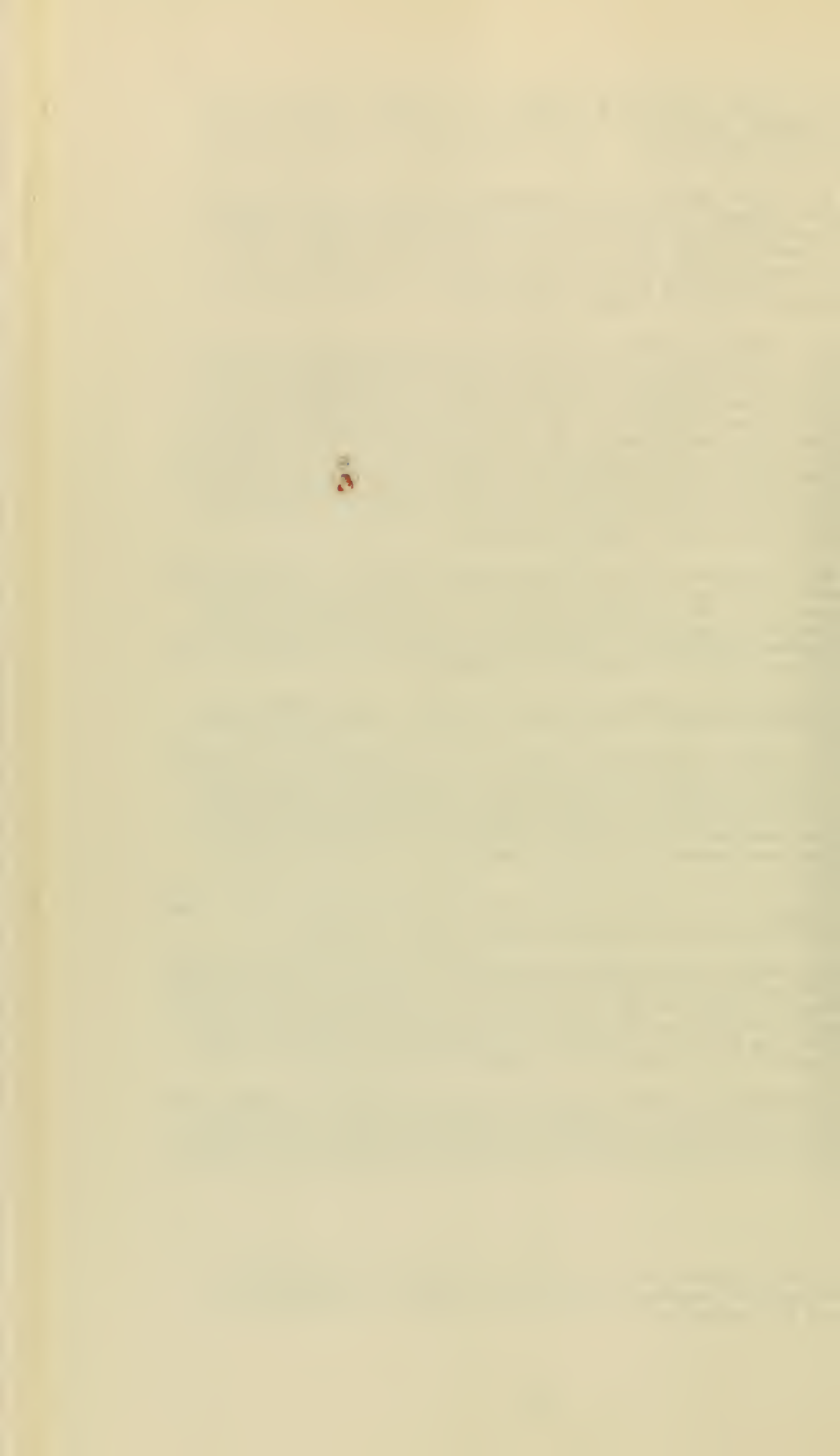
Mr. Heath explained that staff was just starting to explore other cargo areas and there was a possibility of locating a cargo facility in a different area, and at a lower cost to the carriers. Mr. Heath said he was not certain what the outcome of that study would be, but would be a part of the development of a long-range plan for use of Airport land.

Commissioner Kadish asked if JAL went ahead with their plans would the work on the study have been for naught.

Mr. Heath said it would change the rules of the game, which was one of the difficult parts of the change. He said there were a number of alternatives, one of which would be to go with JAL as planned. Mr. Heath said there has been a need for the Airport to develop a comprehensive land use plan, particularly because of the Land Use Study work.

Commissioner Kadish questioned the adoption of a resolution and then making an immediate exception to that resolution and asked if there would be any conflict with JAL proceeding and the proposed resolution before the meeting. Mr. Heath

Commissioner Coblentz left at 4:11 p.m. during Mr. Nakashima's presentation and returned at 4:17 p.m. after Mr. Nakashima had concluded his comments.



said he didn't believe there was any conflict; that the Commission could adopt a plan when presented, and could also make exceptions to that plan, particularly when it concerned a long process which started before the plan. He said that consideration should be given to the fact that, whatever the final resolution, some of the plans such as JAL's go back to 1975.

Commissioner Coblenz commented that JAL proceeded with their plans based on certain conversations with Airport staff. He asked if they were the only airline in this position.

Mr. Heath said Flying Tiger was also in the midst of plans.

Commissioner Coblenz asked how long they had been in discussion with the Airport.

Mr. Heath said that JAL had been in discussion since 1975, and he thought that Flying Tiger had been in discussions about the same length of time.

Commissioner Coblenz asked if substantial sums of money had been spent.

Mr. Heath said they had, but that also, money could be saved by utilizing other sites with less extensive work, and that the question of what the Airport would do in the future regarding cargo flights must be taken into consideration.

Commissioner Coblenz said he was asking about JAL and Flying Tiger which might be in a different stance than others who might want to come into the Airport.

Mr. Heath said other airlines were in a different position.

Commissioner Kadish said these two cargo carriers were the biggest and there appeared to be many problems and what the resolution was attempting to do was merely repeating what was done with the passenger service; requesting a master plan for cargo and while that master plan was being developed, a moratorium on acceptance of applications.

Mrs. Maraviglia addressed the meeting and said Mr. Nakashima was wrong in saying the Land Use Study had approved the expansion, that the quotations he had given were from preliminary reports. Mrs. Maraviglia said if JAL's cargo facilities were approved, the Airport would be closing its options.

Commissioner Coblenz said he would vote for the resolution but only with the right to grant exceptions after a public hearing.

Mrs. Maraviglia said there was plenty of history showing that this subject had been addressed and would be dealt with in the Land Use Study.

Ms. Jackie Grier, Properties Administrator for Flying Tiger, said that Flying Tiger had given consideration to the Land Use Study. She said her company was in a predicament similar to JAL, in that negotiations with the Airport dated back some years, although Flying Tiger's plans were not as far along as JAL's plans. However, since 1975, Flying Tiger's

plans had become progressively more solid and were now in the preliminary design phase. Ms. Grier said her company had proceeded to work with the Airport's Engineering Division and other agencies related to their project. Ms. Grier said she did not see any problems with the November-December deadline of the Joint Land Use Study, but she was concerned about any develop that would delay a decision beyond that date. Ms. Grier said Flying Tiger had been in temporary quarters for ten years, extending the lease every two years during that period. She said the facilities were not adequate, and hoped that the matter could be resolved very quickly.

Commissioner Coblentz said he was concerned about the phrase in the resolution with the words "in the public interest" in it and asked that that part of the last sentence be deleted.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously adopted:

(5) Central and South Terminal Newsstand and Giftshop Leases.

No. 79-0243	Resolution approving terms and conditions of four leases: one each for the operation of a "Newsstand and Bookstore" and a "Gift and Sundries Shop" in the Central and South Terminals, respectively, and authorizing invitations for bids.
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Mr. Heath said the only change from the North Terminal lease was a lower percentage and a higher minimum guarantee, which was the bid item.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was placed before the Commission; subsequently, further consideration was postponed to a future meeting.

(6) Flower Shop Lease - North Terminal

Resolution approving terms and conditions for the operation of a "Flower Shop" in the North Terminal building and authorizing invitations for bid.

Commissioner Kadish said it was her understanding, specifically stated at the last meeting, that items received as late as this lease document was would not be discussed. She said it was virtually impossible to get through it so quickly and make a decision.

Mr. Heath explained that the agenda is set a week to ten days before the Commission meeting and while the item had been placed on the agenda, at times the supporting documents were not ready.

Commissioner Coblentz said he would vote on the item at this meeting, but never again on such short notice.

Commissioner Kadish said the item should be put over as the documents were not ready in time.

Mr. Steve Gregg spoke to the meeting, saying he had put in a proposal sometime ago for a flower stand, like the ones in the downtown, and asked if a decision had been made for an enclosed flower shop, or for a stand.

Mr. Singer said the same bid was for an enclosed shop plus a cart, so they were thinking of a non-permanent fixture, as well as a permanent fixture.

Commissioner Goosby asked if both the shop and the cart went out to bid together.

Mr. Singer said they did.

Commissioner Bernstein asked why a flower stand, where a minimum acceptable bid was \$6,000 a year, would have to put up a \$5,000 deposit. He said even if it was temporary and would be returned, it could work a hardship on a small businessman.

Mr. Singer said it was simply one way of identifying financial responsibility, but if the Commissioners wanted to change the amount, it could be easily changed.

Commissioner Bernstein said one could be financially responsible, but still not have \$5,000. He thought that \$6,000 was too much for an acceptable minimum.

Mr. Heath said if the Commissioners felt the minimum was so high it would restrict the bidders, it could be lowered.

Commissioner Bernstein said a couple of thousand dollars would be plenty to require.

Commissioner Kadish asked that the item be put over.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously adopted:

(7) Resolution Authorizing Invitation to Bid For Luggage Cart Concession.

No. 79-0249

This resolution will authorize the Director to advertise and solicit competitive bids for a self-service coin-dispensed luggage cart system at the Airport. The proposed term is ten years, and the biddable item will be the highest percentage of gross income after refunds as automatically recorded by coin or bill operated vending units.

Mr. Craven announced that the proposed term as written in the Calendar was not correct and had been changed to five years, with an option to renew for five years.

Mr. Heath said the proposal originally said there would be no stands in the garage but he felt stands there were absolutely essential.

Commissioner Coblentz asked about the various types of luggage carts in the Commission meeting room.

Mr. Matt Ashe, Properties and Real Estate Department, said one cart came from the Frankfurt Airport and was designed for escalator use. However, the Operations personnel had advised that its use on an escalator could not be very well controlled.

Commissioner Kadish asked what the experience had been with these carts in Frankfurt.

Mr. Ashe said there were three lawsuits pending, but the carts had been in operation a long time.

Mr. Ashe briefly discussed the carts, and introduced Mr. Jim Millner who demonstrated his product, the Smarte Carte, indicating its place for luggage in the back which could accommodate three large suitcases, how it could be used on escalators and space for one or two children on an infant seat.

Mr. Heath said the bid specifications contained specs which asked for a cart close to the Smarte Carte and any company could bid on the carts. Mr. Heath said that previously they had not put free carts in the Customs area due to lack of room but now, with the expanded baggage area open, there would be room for carts. The contract would provide for the operation of free carts inside the Customs area. The Airport would provide the carts, with service by the contractor.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously adopted:

- (8) Professional Services Agreement - Hogan and Hartson, Modification No. 5.

No. 79-0250

Resolution approving Modification No. 5 of Agreement with Hogan and Hartson, Washington, D.C., for service as Special Counsel, to extend term of agreement for an additional year to July 14, 1980 and to increase the maximum sum payable by \$10,000.

Mr. Heath said this modification substantially reduced the amount of fees paid in the past. Although an additional \$10,000 was added, it probably would not be used as the CAB proceedings were ending but it was good to have it available as needed.

Commissioner Goosby asked if all the money appropriated last year had been used.

Mr. Heath said the entire amount had not been used.

* * *

Consent Calendar of Routine Administrative Matters

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolutions were unanimously adopted:

(1) Settlement of Claims.

No. 79-0251 Resolution approving settlement of claims.

(2) Airport Development Aid Program (ADAP) Project No. 6-06-0221-10 - Project Application.

No. 79-0252 Resolution requesting the Mayor to recommend to the Board of Supervisors the adoption of a resolution authorizing the Airports Commission to submit ADAP Project Application No. 10 to the Federal Aviation Administration for a grant of federal funds and to accept the resulting Grant offer. The application consists of:

1. Runway and Taxiway Shoulder Drop-Off Releveling and Blast Shoulder Extension.
2. Reconstruction, Airfield Perimeter Dike, Phase A.
3. Concrete Pads - Pier F.
4. Apron Overlay Between Piers E and F.
5. New Firehouse.
6. New Field Lighting Building.
7. Taxiway Centerline Lighting.
8. Reconstruction and Overlay, South End T/W "B".

Total estimated cost of the Project is \$9,470,000.00.

Total portion of costs eligible for federal funding is \$7,102,500.00.

- (3) Bid Call, Contract No. 1096, Emergency Communication System for Elevators - North Terminal & Parking Garage.

No. 79-0253

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1096, Emergency Communication System for Elevators, North Terminal and Parking Garage.

The purpose of this contract is to install two-way emergency communications equipment in the North Terminal and Parking Garage passenger elevators. This work is necessary for compliance with State safety regulations and to promote passenger security in elevators. A total of 33 elevators will be equipped with the emergency system.

Construction time is 120 days.

This contract is part of the Airport Expansion Program.

- (4) Award of Airport Contract No. 1059, Slurry Filling of Abandoned Fuel Lines.

No. 79-0254

Resolution awarding Contract No. 1059, Slurry Filling of Abandoned Fuel Lines to Piombo Corporation, 1601 Industrial Way, Belmont, California, 94002, in the total amount of \$82,500.00.

The purpose of this contract is to cap abandoned fuel lines and fill the lines with a slurry mixture preventing the lines from acting as a storage vessel for fuel vapors or entrapping drainage flows, in compliance with fire codes.

Two bids received on June 29, 1979:

1. Piombo Corporation	\$82,500
2. M.G.M. Construction	99,250

Construction time is 30 calendar days.

This program is not part of the Airport Expansion Program.

- (5) Completion of Professional Services Agreement, National Safety Council.

No. 79-0255

Resolution accepting work of consultants as completed and authorizing final payment in amount of \$2,000.00.

- (6) Tenant Improvement: National Airlines, Interim Ramp Service Facilities at Boarding Area F, \$320,000.00.

No. 79-0256

Resolution approving the final plans and specifications submitted by National Airlines showing their interim ramp service facilities at Boarding Area F. The work consists of constructing offices, shops, locker rooms, and parts storage rooms to support National's ramp service activities.

The work will be done by National Airlines on a rental credit basis. The estimated cost is \$320,000.00.

This project is an interim facility under the Airport Expansion Program.

- (7) Tenant Improvement: Pan American World Airways, Ticket Counter Modifications, \$35,000.00.

No. 79-0257

Resolution approving the final plans and specifications submitted by Pan American World Airways showing modifications to their ticket counter and the office area in back of the ticket counter. The project consists of moving the counter back eight feet from its present position to create additional space for ticket counter lines so that the lines do not block the entrance to Pier G.

The work will be done by Pan American World Airways at its own and sole expense and without rental credit. The estimated cost is \$35,000.00.

- (8) Tenant Improvement: Pan American World Airways, Modifications of Outbound Baggage Conveyor Systems, \$20,000.00.

No. 79-0258

Resolution approving the final plans and specifications submitted by Pan American World Airways showing modifications to the outbound baggage conveyor systems used by the international carriers at the west end of the South Terminal. The work consists of revising the system to provide two off-loading belts in place of the single off-loading at the baggage make-up area presently fed by the two conveyor systems.

The work will be done by Pan Am on behalf of all carriers using the outbound baggage systems without rental credit from the Airport. The estimated cost is \$20,000.00.

Consent Calendar of Contract Modifications

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolutions were approved 3 ayes (Kadish, Coblentz, Goosby), 1 nay (Bernstein).

- (1) Modification No. 16 (Debit), Airport Contract No. 925, North Terminal Aprons and Reconstruction of Taxiways "S" and "SS", \$236,000.00.

No. 79-0259

Resolution approving and requesting the Controller's certification of Debit Modification No. 16 in the amount of \$236,000.00. The contractor for the work is Piombo Corporation.

This modification provides for the substitution of cement treated base in lieu of soil stabilization in order to expedite construction of concrete and asphalt aprons and to increase quantity of granular subbase due to unanticipated soft spots and unavailable sources of fill material.

Original amount of contract	\$8,131,587.00
Previous modification (Debit)	213,069.24
Modification No. 16 (Debit)	236,000.00
Revised amount of contract	8,580,656.24

- (2) Modification No. 60 (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$116,861.00.

No. 79-0260

Resolution approving and requesting the Controller's certification of Debit Modification No. 60 to Airport Contract No. 1000, in the total debit amount of \$116,861.00.

The contractor for this project is Robert E. McKee, Inc.

This modification directs the contractor to remove and turn over to the City the eight existing lower loop roadway exhaust fans (EFI thru 8) and install eight new backward inclined plug type exhaust fans and 24-inch long sound attenuators with related appurtenances in order to eliminate excessive fan noise in front of the North Terminal Complex.

Original amount of contract	\$50,414,395.00
Previous modifications	2,724,561.00
Revised amount of contract	
to date	53,138,956.00
Modification No. 60 (Debit)	116,861.00
Revised amount of contract	53,255,817.00

This contract is part of the Airport Expansion Program.

- (4) Modification No. 14 (Debit) Airport Contract No. 1015,
Garage: Stage V - Final Modifications, \$43,767.00.

No. 79-0261 Resolution approving and requesting
the Controller's certification of Debit
Modification No. 14, to Airport Con-
tract No. 1015, Garage: Stage V -
Final Modifications, in the total
amount of \$43,767.00.

The contractor for this project is
Titan Pacific Construction Corporation.

Modification No. 14 provides 18 new
signs and modifies 29 signs in the
Parking Garage; as detailed in Bulletin
25R1 and Clarification 41.

Original amount of contract	\$13,925,744.00
Previous modifications (Net Debit)	233,605.09
Revised amount of contract to date	14,159,349.08
Modification No. 14 (Debit)	43,767.00
Revised amount of contract	14,203,116.08

This contract is part of the Airport
Expansion Program.

- (5) Modification No. 15 (Debit), Airport Contract No. 1015,
Ratifying Action of Director of Airports on Change Orders,
Garage: Stage V - Final Modifications \$6,977.92.

No. 79-0262 Resolution approving and ratifying the
action of the Director of Airports in
approving Change Orders 37 thru 41 and
requesting the Controller's certifica-
tion of Modification No. 15 to Airport
Contract No. 1015, in the total amount
of \$6,977.92.

Contractor for this work is Titan Pac-
ific Construction Corporation.

This modification adds sprinkler heads
and revises the ductwork layout in the
core extensions; provides additional
signs at elevators; adds a message to
the road graphics signs and substitutes
a different type of paint.

Original amount of contract	\$13,925,744.00
Previous modifications (Debit)	277,372.08
Revised amount of contract to date	14,203,116.08
Modification No. 15 consist- ing of the following Change Orders:	
No. 37, \$1,572.92 (Debit)	
No. 38, 6,982.00 (Debit)	
No. 39, 3,070.00 (Debit)	
No. 40, 637.00 (Debit)	
No. 41, 5,284.00 (Credit)	6,977.92
Revised amount of contract	14,210,094.00

This contract is part of the Airport
Expansion Program.

Commissioner Kadish requested the removal of Item (3) from the Calendar for consideration in Executive Session as she had questions, since the work was performed after Contract 650C was completed, and asked how it could have been done by McKee on Contract 1000. She thought it unfair to put that modification on the percentage figure on McKee's contract, although it was a bookkeeping procedure.

Mr. Heath said that McKee did the work, and it had to be paid for, although the time was different.

Commissioner Goosby questioned Item (1), saying the amount of \$236,000 seemed to be excessive.

Mr. Bob Lee, Deputy Director for Planning and Development, said this was actually a modification to close out the contract work which was required due to the poor foundation conditions.

Commissioner Goosby asked if the condition of the foundations wasn't known when the work was started.

Mr. Lee said at the time the work was done, the rain was unexpected, and when the ground was opened, the conditions were discovered. Mr. Lee said this was adjustment allowed in the contract.

Commissioner Goosby asked if it was correct that when the ground got wet, it was necessary to bring in the cement treated base.

Mr. Lee said if there had been time, the ground could have been dried out.

Commissioner Bernstein asked when the work on the lower roadway would be finished.

Mr. Lee said there had just been an emergency sewer contract in the same area. However, the work should be done in a couple of months.

* * *

Communications

There were no communications.

* * *

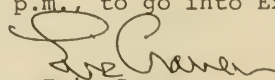
Trailing Calendar of Old Business

There was no discussion of any item on the Trailing Calendar.

* * *

Adjournment of Meeting

The public meeting adjourned at 4:54 p.m. to go into Executive Session.


Eric Craven
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

Thursday, July 26, 1979

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

WILLIAM K. COBLENTZ

Vice-President

RUTH S. KADISH

DR. Z.L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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MINUTES
OF THE
SPECIAL
AIRPORTS COMMISSION
MEETING
Thursday, July 26, 1979

1. Call to Order:

The Special Meeting of the Airports Commission was called to order at 4:33 p.m., in the Lurie Room of the Main Library, McAllister and Larkin Streets, San Francisco, California.

* * *

2. Roll Call:

Present: Commissioners Ruth S. Kadish,
Morris Bernstein, Z. L. Goosby.

Absent: Commissioners William K. Coblentz,
J. Edward Fleishell.

* * *

3. Pledge of Allegiance: Led by Commissioner Kadish

* * *

4. Secretary's Announcement of Item Passed in Executive Session of July 17, 1979.

Mr. Eric Craven, Commission Secretary, reported on the items passed at the Executive Session. His statement is attached and included by reference.

* * *

5. Agenda Items Involving Airport Policies or Major Operational Decisions

Mr. Craven reported there was a typographical error in the last line of Item (1) in the Calendar, wherein the amount was listed as \$495,411.00 and should have been \$495,462.00.

The following resolution was unanimously adopted:

- (1) Modification No. 2 to Professional Services Agreement with John Carl Warnecke & Associates and Dreyfuss & Blackford, a Joint Venture, to delete certain projects and to adjust fees accordingly.

No. 79-0264

Resolution approving Modification No. 2 to Professional Services Agreement with John Carl Warnecke & Associates and Dreyfuss & Blackford, dated July 18, 1978, to discontinue services for the following projects:

Boarding Area "D"
South Terminal East Addition, and
Boarding Area "C"

Budgeted compensation shall be decreased by \$495,411.00.

Mr. Richard Heath, Director of Airports, explained that this reduction would modify the July 18, 1978 contract with the San Francisco Airport Architects, by discontinuing their services on Boarding Areas C and D and the South Terminal East Addition. The San Francisco Airport Architects would continue work on the pedestrian bridges. This action would decrease the budgeted compensation with a total decrease of \$495,462.00.

* * *

The following resolution was unanimously adopted:

- (2) Modification No. 1 to Gensler and Associates' Professional Service Agreement to Combine Contract 1300, B/A "D" with Contract 1200, Central Terminal Modernization.

No. 79-0265

Resolution approving (1) the incorporation of the scope of work for Contract No. 1300, Boarding Area "D" into Contract 1200, Central Terminal Modernization and (2) Modification No. 1 to Gensler and Associates, Professional Services Agreement to include the scope of work for Boarding Area "D".

Mr. Heath said the purpose of this resolution was to assign the Boarding Area D contract to Gensler & Associates. Mr. Heath said he had received a letter from the San Francisco Airport Architects asking that their contract be modified and the "D" area work be reassigned. Mr. Heath said that he then discussed the matter with Gensler & Associates and it was thought that

since that firm was doing the modifications to the Central Terminal, D could be an adjunct. Gensler's conceptual approach had been reviewed by both staff and the architectural consultant, Howard Friedman, and it had been agreed that Gensler take this project on as a phased section of the remodeling of the Central Terminal. Mr. Heath said he would recommend assigning the contract to Gensler & Associates.

Commissioner Kadish asked Mr. Gordon Johnson of Gensler & Associates what his concept and means of cutting down costs would be.

Mr. Johnson replied that, primarily, there would be the advantage of combining the two projects into one, particularly since the Central Terminal was a phased remodeling contract. A substantial amount of new construction could be included which would allow a major contractor to save considerable time and effort by combining the two into one. There were several possible approaches to do this: for instance, the cooler system could be tied into one contract, etc. Mr. Johnson said his firm was confident that they could do the overall project within the budget.

Commissioner Kadish said that if Gensler would be able to make effective use of some of the drawings that have been done already, that would be, in part, contributory to the financial feasibility.

Commissioner Goosby asked if Gensler would be able to hold to the same time schedule.

Mr. Johnson said they would not exactly hold to that schedule, as originally the schedule had called for the completion of Boarding Area D three months ahead of the completion of the Central Terminal remodeling project. Mr. Johnson said that the delay in D should not impact the overall schedule of the Airport construction, but he felt they would need the additional three months' time.

Mr. Heath said the planned completion date of Boarding Area D would be the same as the completion date of the Central Terminal.

Commissioner Kadish asked if that would still be phased.

Mr. Johnson said it would be, relative to the Central Terminal itself and it would be on the same schedule as it would have originally been usable without the Central Terminal.

Commissioner Kadish, directing the question to Mr. Don Garibaldi, Airports General Counsel, asked about the section in the agreement which pertained to the affirmative action agreement on Exhibit D, number three, last sentence, saying she didn't understand the "however" in relation to the contract.

Mr. Garibaldi explained it was part of an agreement prescribed by the Human Rights Commission, which intended to say that, as the project goes on, the Human Rights Commission would monitor what is going on with the sub-consultants. HRC might require something different in the form of minority hiring and this provided an opportunity for them to come in.

Commissioner Kadish asked if that wouldn't place a constraint on the contractor, if the matter wasn't clear at the outset. Commissioner Kadish suggested that Ms. Lydia San Filippo, the representative from the HRC, could explain how this would be administered by that Commission.

Ms. San Filippo said she would be happy to confer with the people in her office and ask them for clarification.

Commissioner Kadish said if there are going to be any road-blocks placed in the middle of the contract, HRC should inform the Airport at the outset; otherwise, it would make for an unworkable and untenable situation. She said she would assume the architect would say they had a problem.

Mr. Johnson said his understanding of that paragraph, after discussion with Vicky Rathbone of HRC, was it was to ensure that Gensler did what they had agreed to do. Mr. Johnson said he didn't get an impression they were left open to changes in the rules and he didn't look for that to occur. He said the time schedules did not allow for such changes.

* * *

The following resolution was unanimously adopted:

- (3) Modification No. 26 to Professional Services Agreement, John Carl Warnicke & Associates, & Dreyfuss & Blackford, A Joint Venture - \$227,389.00.

No. 79-0266 Resolution approving Modification No. 26 to the Professional Services Agreement with John Carl Warnecke & Associates and Dreyfuss & Blackford, a Joint Venture (dba San Francisco Airport Architects) and requesting the Controller's certification of said Modification in the total amount of \$227,389.00.

1. Fee Adjustment on Completed Work	
Contract 906 - Central Plant	
Equipment (Credit)	(\$ 1,122.00)
Contract 950 - Boarding Areas	
H & I	21,016.00
Contract 960 - Road Graphics	173.00
2. Fee Adjustment on Abandoned	
Project, Contract 1001 -	
Air Traffic Control Tower	42,322.00
3. Adjustments in Net Budgeted	
Fees, Contract 977 -	
Expansion of Electrical	
Distribution System Phase I	6,000.00
Contract 1000 - Parking	
Garage: Stage IV	120,000.00
Contract 1015 - Parking	
Garage: Stage V	<u>39,000.00</u>
	\$227,389.00

Part of Expansion Program.

Mr. Heath explained this modification to the Architects' contract was for the work on the North Terminal and Garage, and provided for payment of work that had been completed in various

portions. It was simply clearing up some of the billing which had been left hanging, totalling \$227,389.00. The matter had been reviewed by staff and Mr. Friedman, and all agreed this amount was due. Mr. Heath asked that the resolution be approved so that payment could be made for work already done.

* * *

The following resolution was unanimously adopted:

- (4) Contract No. 1100, Boarding Area E, Correction of Award Amount from \$12,705,330.00 to \$12,704,330.00.

No. 79-0267

Resolution retroactively correcting error in award from \$12,705,330.00 to \$12,704,330.00 in Resolution No. 79-0190, approved at the June 19, 1979 Commission meeting.

Mr. Heath said this item was correction for a clerical error and it was necessary to approve it so the records would be correct in terms of the actual bid.

* * *

5A. New Business:

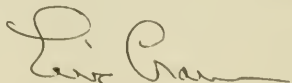
Commissioner Kadish said it had come to her attention that 175 copies of the Minutes were sent out, and were received some two or three weeks after the meeting had occurred. She said that paper alone was costly, not to mention xeroxing, postage, etc. She said she wondered about the usefulness of such an extensive mailing list. Commissioner Kadish said she would appreciate it if staff would look into this matter and report to the Commission their views, although she felt a solution might be to have files available to the public at certain designated places. Also, she asked that the mailing list be checked to be sure it was current, and that savings might be made by mailing just to one person at an address, such as to the Clerk of the Board rather than to each individual supervisor.

Commissioner Goosby suggested that a letter be sent to all recipients, asking if they still wanted to receive copies of the Minutes.

* * *

6. Adjournment of the Meeting.

The public meeting adjourned at 4:53 p.m., to go into Executive Session.



Eric Craven
Commission Secretary

Secretary's Announcement of Actions Taken by the Airports Commission in Executive Session on July 17, 1979.

Read to the Airports Commission Meeting on July 26, 1979

IN ACCORDANCE WITH GOVERNMENT CODE SECTION 45957.1 OF THE BROWN ACT, I AM REPORTING ON THE ACTIONS TAKEN BY THE AIRPORTS COMMISSION IN EXECUTIVE SESSION ON JULY 17, 1979:

MODIFICATION No. 61 (DEBIT) AIRPORT CONTRACT No. 1000, GARAGE: STAGE IV, SUPERSTRUCTURE ADDITION, \$49,579.00, WAS ADOPTED UNANIMOUSLY BY COMMISSIONERS KADISH, BERNSTEIN, COBLENTZ AND GOOSBY.

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

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Tuesday, August 7, 1979

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

**San Francisco International Airport
San Francisco, California 94128**

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
Tuesday, August 7, 1979

Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m., in Room 282, City Hall, San Francisco, California.

* * *

Roll Call:

Present: Commissioners Ruth S. Kadish, Morris Bernstein, Z. L. Goosby, J. Edward Fleishell.

Absent: Commissioner William K. Coblentz.

* * *

Pledge of Allegiance: Led by Commissioner Goosby.

* * *

Approval of Minutes:

The following resolution was unanimously approved:

No. 79-0268 Resolution adopting Minutes of the Airports Commission meeting of July 17, 1979 as amended and adopting the corrected page 6 of the Minutes of June 19, 1979.

Commissioner Bernstein asked to introduce a resolution pertaining to the Minutes and Commissioner Kadish put the matter over until Section (6).

* * *

Director's Reports

- 1) Letter from Jan Blais, Chairman of the Airlines Policy Committee.

Mr. Richard Heath, Director of Airports, reads regarding a letter dated July 30, 1979 from the Airlines Fueling Committee regarding revenues from the airlines and introduced Mr. Jan Blais, Chairman of that Committee, who requested that certain actions be taken. A copy of the letter is on file with the Secretary to the Commission.

Commission President Kadish said the Commission would be loath to take any action until an opinion on the matter is received from the City Attorney.

* * *

2) Progress Report - Implementation of FIRM Report

Mr. Heath spoke briefly, saying that due to the complexity of both contracts, the work was a little behind the original schedule; however, both staff and consultants felt the project would be completed within the original time frame. Mr. Heath said both projects were proceeding very well, and he was pleased with the progress.

* * *

3) Reduction of Mailing of Commission Calendars and Minutes

Mr. Heath reported on various ways which will be used to reduce the great number of minutes and calendars being sent out, and he would ask for a definite Commission policy on who should get minutes and where they should be placed for public perusal if the methods being used prove unsuccessful.

* * *

Agenda Items Involving Airport Policies or Major Operational Decisions

The following resolution was discussed and put over until the August 21 meeting:

- 1) Resolution approving a new format for Commission Minutes where each agenda item is summarized.

Commissioner Bernstein said he had introduced this resolution as he felt the minutes being produced were not accurate and an inefficient use of staff time.

Mr. Heath said it was difficult to record the thoughts of another individual, and offered several alternatives to the present method of recording minutes.

Commissioner Kadish said she felt a complete record was important for the perusal of the public and cited the example of the Policy Manual which had been put together by culling

The matter before the Commission was put over until the August 21 meeting, at the suggestion of Commissioner Fleishell.

Commissioner Goosby asked that a policy be established whereby items introduced by Commissioners at a meeting be routinely held over for consideration at the following meeting, except for emergency matters requiring immediate action.

Mr. Heath said the amount of paper work involved could be greatly reduced if the Commissioners would bring any documents sent to them for consideration to the next meeting where matters would be voted upon. Mr. Heath said the staff was working on some suggested changes to reduce the paper work. He further suggested that on standard documents that the "boiler plate" not be reproduced for each action, but merely the specific terms listed and sent to each Commissioner.

Commissioner Goosby asked Mr. Heath to direct the staff to begin to work on terms of certain procedures and adoption of policies in regard to the concessions. The Commissioner said there was considerable concern in the community regarding the number of concessions; they should be oriented toward San Francisco-owned firms, minority and woman-owned firms. The Commissioner suggested that 35 percent of the concessions be awarded to minorities and women and asked that the legal impact of such a policy be reviewed, to see if it would constitute discrimination.

* * *

The following resolution was approved by the following vote: aye, Commissioners Kadish, Bernstein, Goosby; Commissioner Fleishell abstained.

2) Goals and Objectives

No. 79-0269 Resolution adopting the report of Booz, Allen & Hamilton, Inc., entitled, "San Francisco International Airport Goals and Objectives Setting".

Mr. Heath explained that this action was part of the implementation of the FIRM Project and Management Improvement Program and was, internally, very important to the project.

Commissioner Fleishell was, by majority vote of the Commission, excused from voting on the items related to the Booz, Allen & Hamilton reports because he had not been present at the previous meetings where this subject had been discussed. The Commissioner said he would contact the representatives of Booz, Allen & Hamilton if he had further questions.

* * *

The following resolution was approved by the following vote: aye, Commissioners Kadish, Bernstein, Goosby; Commissioner Fleishell abstained.

3) Reorganization of the Airport

Commissioner Goosby questioned the management objectives which listed the obtaining of eight new concessions in the North Terminal, and asked if that included the two existing concessions, and was told by Mr. Heath that the number did not include Host and A.B.C. which are now operating. The Commissioner questioned the establishment of a decentralized personnel function, asked if that would include training, and suggested that federal government money could be obtained to establish apprentice programs.

Commissioner Kadish questioned the listing of at least two minority concessions and asked if that would include women. Mr. Pete Singer, Deputy Director for Business Administration, said either ethnic or sex.

Commissioner Goosby referred to the Federal Government's and the City's long-range goals in hiring of women and minorities and said he hoped the staff would develop legally acceptable procedures for such hiring.

Commissioner Bernstein asked about the anticipated reduction in authorized positions and said he didn't think this was a move in the direction of economy, although it might be in the direction of efficiency.

* * *

The following resolutions were approved by the following vote: aye, Commissioners Kadish, Goosby, Fleishell; nay, Commissioner Bernstein.

) Approval of Terms and Conditions of Concessions for North Terminal Building

Nos. 79-0271	Resolutions approving the terms and con-
79-0272	ditions of the following concessions:
79-0273	flower shop, jewelry, candy, passenger
79-0274	service center, wine, cheese & specialty
79-0275	food shop, pre-packaged crab and sun-
79-0276	glasses; and authorizing Director to
79-0277	proceed with bid invitations.

There was considerable discussion among the Commissioners and staff regarding the experience and bond requirements for qualifying bidders. It was decided to amend the bid specifications to "operator or manager".

Commissioner Bernstein said that, according to Charter Section 7.405, entitled "Leases and Concessions on Airport Property", where there is no exclusivity, there was no requirement for competitive bidding so bidding was not necessary as long as no concessions were being granted exclusive rights.

Mr. David Kroopnick, Assistant Airports General Counsel, said if a contract was exclusive, it must be bid and it was necessary to ask how many concessions for the North Terminal were planned. Mr. Kroopnick gave an example of non-exclusivity as the situation with the auto rentals before they went to lease when they operated on a permit basis; if an operator did not have an exclusive right to occupy a specific space.

Commissioner Fleishell said that the matter of granting a concession without going out to bid was a policy decision and asked if the Commission, as a matter of policy, would want to make a grant rather than bidding and that he would not consider such action.

Commissioner Kadish suggested that Mr. Singer have his staff send out announcements on the new concessions to every business of the type in the area, in order to attract locally-owned and small businesses.

Mr. Singer warned that the big operators who were accustomed to airport bidding procedures were more likely to submit the best bids, and this matter had been discussed with the Airports General Counsel in order to find ways to open up the opportunities and yet avoid discrimination.

The Commission decided to have the staff remove certain limiting factors in the bid documents pertaining to California only products.

Commissioner Fleishell directed Mr. Kroopnick to change certain provisions in the lease documents regarding subleases and fixtures.

Ms. Virginia Littlejohn, of Women Entrepreneurs, spoke on behalf of women-owned businesses and asked that this concept be encouraged.

Ms. Ellen Roberts spoke on her own behalf and that of Ms. Susan Heller, who had left, on behalf of women and minorities in the matter of awarding the concessions, and asked for staff assistance in the preparation of the bids.

Commissioner Kadish asked the staff to be of all possible assistance to those who are new to the bid process, so bids would not be thrown out for technical defects.

There was some discussion regarding the minimums and percentages which will be required, and the mark-up on merchandise which dictated these figures. Leonard Berger, attorney for the Airport Florist, said the mark-up on flowers was not as high as had been quoted, but nevertheless the Airport Florist was interested in proceeding with the bidding process and would not protest the minimum figures in the specifications.

* * *

The following resolution was discussed and unanimously defeated:

Policy - Host International Operation of an Ice Cream Parlor in North Terminal Building

Resolution authorizing Director to request Host International to construct and operate or sub-lease an Ice Cream Parlor in North Terminal Building.

Under the present lease agreement, Host must be offered the opportunity to operate an ice cream parlor and the Commission directed Mr. Heath to negotiate with the concessionaire in an attempt to have Host sublet or operate it as a joint venture.

* * *

The following resolution failed by the following vote: aye, Commissioners Kadish and Fleishell; nay, Commissioners Bernstein and Goosby:

(6) Professional Services Agreement.

Resolution authorizing the Director of Airports to enter into a professional services agreement with Coopers and Lybrand, Certified Public Accountants, for services in connection with the audit of major concessions and contractors at San Francisco International Airport, for a fee not to exceed \$29,000.00.

Mr. John Ramirez, CPA, spoke to the meeting saying he had submitted a lower bid than that of Coopers and Lybrand and questioned the award.

Mr. Heath said this matter was not a bid process, it was a selection process for a professional service. The proposals and prices had been reviewed by a staff committee and the recommendation was based on services offered.

Mr. Ray Nordman of Coopers and Lybrand spoke on behalf of his firm, briefly explaining the additional services they would offer if they were awarded the contract.

The Commissioners questioned the possible use of a smaller, minority-owned firm for this work, as some thought that any CPA could do the work.

* * *

The following resolutions were approved unanimously:

7) Supplemental Appropriation \$3,025,000

No. 79-0278 Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the total amount of \$3,025,000 to provide additional funds needed for construction of the Control Tower Facility as an extension of the major structural revision of the Central Terminal. Unappropriated funds are available in the 1967 Bond Fund and the Airport Revenue Fund.

8) Supplemental Appropriation, \$508,000.00

No. 79-0279 Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the total amount of \$508,000 to cover the cost of court-order travel allowance for Airport Employees living in San Francisco, and needed temporary clerical personnel.

9) Supplemental Appropriation, \$37,230.00

No. 79-0280 Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the total amount of \$37,230 to cover the cost of field testing and office equipment.

* * *

The following resolution was unanimously approved:

- 10) Resolution Authorizing Extension of Airline Terminal Leases
- No. 79-0281 Resolution executing the option in 24 airline leases for terminal space, extending the term at prevailing rental rates subject to annual review and adjustment.

* * *

Consent Calendar of Routine Administrative Matters

The following resolutions were unanimously approved:

- 1) Supplemental Appropriation, \$2,658.00
- No. 79-0282 Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the total amount of \$2,658.00 to cover the cost of salary adjustments and mandatory fringe benefits to effect the reclassification of two (2) General Laborers to Asphalt Finishers.
- 2) Bid Call, Airport Contract No. 1257, Silt Removal - Fiscal Year 1979-80
- No. 79-0283 Resolution approving the final plans and specifications and authorizing the Director to call for bids for Airport Contract No. 1257, Silt Removal - Fiscal Year 1979-80.
- 3) Airport Contract No. 1189, Rejection of Bids, Drainage Improvement at Gate 68, Pier "FF"
- No. 79-0284 Resolution rejecting all bids received for Airport Contract No. 1189, Drainage Improvement at Gate 68, Pier "FF", and authorizing the Director of Airports to readvertise for new bids.
- 4) Award of Contract No. 1248, Emergency Airfield Pavement Repairs, F.Y. 1979-80
- No. 79-0285 Resolution awarding Airport Contract No. 1248, Emergency Airfield Pavement Repairs, Fiscal Year 1979-80 to The Lowrie Paving Company, Inc., P.O. Box 2465, South San Francisco, CA 94080 in the total amount of \$62,500.
- 5) Completion of Airport Contract No. 1171R.
- No. 79-0286 Resolution approving enclosures for Unassigned Spaces, Boarding Areas "H" & "I", as satisfactorily completed; extending the completion date from May 16, 1979 to July 17, 1979; and approving final payment in the amount of \$4,766.19 in favor of the contractor J.M. Construction, 1175 Montgomery Avenue, San Bruno, CA 95066.

(6) Completion of Professional Services Agreement Pacific
Environmental Laboratory Waste Water Testing and Analysis

No. 79-0287

Resolution accepting the work performed under Controller's No. 70679, Professional Services for Wastewater Analysis at San Francisco International Airport as satisfactorily completed and approve final payment in the amount of \$2,929.80 to Pacific Environmental Laboratory.

7) Modification No. 3 and Completion of Airport Contract No. 1114, Landscaping and Street Furniture - North Terminal

No. 79-0288

Resolution accepting the work under Airport Contract No. 1114, Landscaping and Street Furniture - North Terminal, as satisfactorily completed; approving and requesting the Controller's certification of Credit Modification No. 3 in the amount of \$344.98; extending the completion date from June 8, 1979 to June 23, 1979; and approving final payment in the amount of \$6,225.71 in favor of the contractor, A & J Shooter and Associates, 1129 Huff Avenue, Mountain View, CA 94043.

8) Pan American Surrender of Former "Clipper Club" Space

No. 79-0289

This resolution approving a modification of lease surrendering 1226 square feet of mezzanine space in the South Terminal for urgently needed Airport use. The area was formerly utilized as the Pan American "Clipper Club".

9) Tenant Improvement: Union Oil Company, Aviation Refueler Truck Loading Facility at Plot 3A, \$60,000

No. 79-0290

Resolution approving the final plans and specifications submitted by Union Oil Company showing their relocated aviation fuel bottom loading facilities at Plot 3A. This project consists of constructing a concrete pad and aviation fuel hydrants at Plot 3A so that their refueler truck route will be moved from Taxiway B.

The work will be done by Union Oil Company at its own and sole expense and without rental credit. The estimated cost is \$60,000.

Consent Calendar of Contract Modification

The following resolutions were approved by the following vote: aye, Commissioners Kadish, Goosby, Fleishell; nay, Commissioner Bernstein:

1) Completion and Final Modification of Airport Contract No. 980, North Terminal Complex - Carpeting, Modification No. 3 (Debit) \$79,010.55

No. 79-0291

Resolution accepting the work under Airport Contract No. 980, North Terminal Complex - Carpeting, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 3 in the amount of \$79,010.55; extending the completion date from December 31, 1978 to April 22, 1979; and approving final payment in the amount of \$125,477.22 in favor of the contractor, American Contract Interior, Inc., World Trade Center, Suite 250C, San Francisco, CA 94111.

) Modification No. 62 (Debit), Airport Contract No. 1000, Ratifying Action of Director of Airports on Change Orders, Garage: Stage IV - Superstructure Addition, \$12,665.00

No. 79-0292

Resolution ratifying the action of the Director of Airports in approving Change Orders 134 thru 141 and requesting the Controller's certification of Modification No. 62 to Airport Contract No. 1000, in the total amount of \$12,665.00. The Contractor for this work is Robert E. McKee, Inc.

) Modification No. 63 (Debit), Airport Contract 1000, Garage: Stage IV - Superstructure Addition, \$16,029.00

No. 79-0293

Resolution approving and requesting the Controller's certification of Debit Modification No. 63 to Airport Contract No. 1000, in the total debit amount of \$16,029.00. The contractor for this project is Robert E. McKee, Inc.

) Modification No. 1 (Debit), Airport Contract No. 1183, Overlay and Reconstruction, Runway 10L-28R, Between Taxiways "E" and "N", \$4,887.50

No. 79-0294

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 1183-1 in accordance with Airports Commission Resolution No. 70-0044; extending the completion date from June 23, 1979 to August 10, 1979; and requesting the Controller's certification of Debit Modification No. 1 in the amount of \$4,887.50. The contractor for this work is Branaugh Excavating, Inc.

* * *

ailing Calendar of Old Business

Mr. Heath told the items which were moved from the current calendar to that of August 21 and of September 4, 1979.

* * *

jourment:

There being no further business before the Commission, the meeting adjourned at 5:45 p.m.

Warren D. Hanson

Warren D. Hanson
Acting Secretary to
Airports Commission

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

Tuesday, August 21, 1979

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
Tuesday, August 21, 1979

Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m., in Room 282, City Hall, San Francisco, California.

* * *

Roll Call:

Present: Commissioners Ruth S. Kadish, Morris Bernstein, Z. L. Goosby, J. Edward Fleishell.

Absent: Commissioner William K. Coblentz.

* * *

Pledge of Allegiance: Led by Commissioner Fleishell.

* * *

Approval of Minutes:

The following resolution was unanimously approved:

No. 79-0295 Resolution adopting Minutes of the Airports Commission meeting of August 4, 1979/

Commissioner Bernstein asked Mr. Eric Craven, Commission Secretary, to investigate the method used by the ILWU in the preparation of their Minutes.

* * *

Director's Reports:

- (1) Airport Participation in the San Mateo County Fair, July 23 to August 4, 1979.

Mr. Richard Heath, Director of Airports, told the meeting that the County Fair was dedicated to commercial aviation and that for the first time the Airport had participated with a booth which was declared the best in the show and won the blue ribbon.

Commissioner Fleishell asked the Commissioners be alerted to such events in advance in the event any of them had an interest in attending.

* * *

(2) Report on General Aviation Landing Fees

Mr. Heath reported that he would have a recommendation to make to the Commission on this subject at the September 4 meeting after further negotiations with Butler Aviation regarding fee collection methods. The recommendation will be to charge all aircraft \$1.70 per thousand pounds landed weight; aircraft who frequently use the facilities will be able to purchase a yearly permit for \$600, plus \$400 for each additional plane.

Mr. Robert Farrell, pilot for Western, spoke against the general aviation landing fees, with the argument that it constituted discrimination in that the Airport used ADAP funds and general aviation pilots had already paid their share through taxes. It was suggested by the Commission that Mr. Farrell forward his argument, in writing, prior to the September 4 meeting when the matter will be officially decided.

* * *

(3) Reduced Paper Work

Mr. Heath gave his suggestions for the reduction in the amount of paper flowing to the Commission.

Commissioner Goosby agreed to the reduction in "boiler plate" in standard documents, but thought staff should continue to send all pertinent information to the Commissioners, so that they would be as fully informed as possible in making their decisions.

Commissioner Kadish said she thought it important that the Commissioners have total information, rather than a summation, on which to base their decisions, so they would not be serving merely as rubber stamps, rather than making their own analysis.

Commissioner Bernstein said he did not intend there be a dearth of information, and suggested that the methods used by large corporations in the dissemination of their information be investigated.

Mr. Heath said he would appreciate some direct instructions from the Commission as a whole, as it was impossible to respond to each individual Commissioner.

* * *

(4) Auditor Contract

Mr. Heath said this item was basically a question on the integrity of the selection process; since this had been gone through and the Commission had rejected the staff recommendation, Mr. Heath suggested the matter be delayed.

Commissioner Bernstein spoke at some length, saying he thought that any CPA could handle the required work.

Commissioner Fleishell said there were degrees of competency and specialization among the CPA framework.

Commissioner Goosby questioned the validity of the request for the audit saying the work was apparently not necessary if it could be delayed merely because the Commission had not approved the staff's choice of an auditing firm.

Mr. John Ramirez, a San Francisco CPA, spoke at some length, expressing his objections to the selection process which had been used and registered complaints regarding alleged City-wide discrimination against minorities.

* * *

Agenda Items Involving Airport Policies or Major Operational Decisions

The following resolution was discussed and held over:

(1) Renewal Contract With SFIA Medical Group, Inc.

Resolution authorizing contract with San Francisco International Airport Medical Group, Inc. for \$85,000 providing for the availability of 24-hour, 365-day medical services on the Airport premises.

There was considerable discussion between the Commissioners regarding this item and the other agreements in effect between the Clinic and the Airport.

Commissioner Kadish told of receiving a letter from a member of the Mayor's staff which told of the staff person's child being denied medical treatment due to lack of funds.

Dr. L. A. Smookler, head of the Medical Clinic, denied the charge and his office manager, Ms. LaPorte, gave further explanation of the incident.

Commissioner Fleishell questioned the validity of an \$85,000 a year subsidy to a business that billed in excess of \$800,000 annually and asked that the item be held over so that the Director and staff could negotiate with Dr. Smookler.

Commissioner Kadish referred to the clinic space rental of eight cents per square foot per month and said this was another form of subsidy.

Mr. Peter Cervantes-Gautschi of the San Francisco Airport Labor Coalition spoke on behalf of the Clinic, and said he hoped that their space and services would be expanded.

Mr. Earl Sibley, an employee of TWA, also spoke in favor of the Clinic and said \$85,000 was not a great amount compared with the saving of a life. He also said that Dr. Smookler was very important for catastrophe preparations.

It was agreed the matter should be held over to allow for negotiation between the Clinic and the Airport staff regarding the subsidy and 24-hour service.

* * *

The following resolution was unanimously approved:

(2) Recommendation on Commission Minutes

No. 79-0296	Resolution approving the recommendation of the Director on future procedures to be followed in keeping the minutes.
-------------	---

Mr. Heath said the Minutes of the August 7 meeting had been prepared in a shortened format and suggested this method be adopted for future minutes.

Commission Fleishell agreed to a summarized version, and said it was important that the record reflect comments where strong approval or opposition was voiced to an item, and a Commissioner should be able to request that certain remarks be recorded.

Commissioner Kadish asked that the resolution be approved and echoed Commissioner Bernstein's suggestion that the method used by the ILWU should be investigated.

* * *

The following resolution was unanimously approved:

(3) Revised Interim Noise Policy

No. 79-0297	Resolution recommending a proposed revised Interim Noise Policy and setting the date for a public hearing of the policy.
-------------	--

Mr. Heath said that staff was working on a Revised Interim Noise Policy to meet the objections raised by the FAA and the CAB which had said the current policy was discriminatory in that it pertained only to new airlines. The resolution would rescind the current policy and set September 4 for a public hearing on a revised policy which would pertain to the allowable noise level of all aircraft landing at the Airport. The noise levels had not as yet been ascertained as certain required data was not yet available but was expected before the public hearing date. Mr. Heath said this resolution would eliminate the possibility of any quarrel with the FAA over ADAP funding.

Commissioner Goosby asked if there was any material regarding the types of planes and the allowable hours. Mr. Heath said these matters were being studied by the ALUC and that group will give specific recommendations at the end of their study.

* * *

The following resolution was unanimously approved:

(4) Procedures for Major Policy Items Submitted by Commissioners -

No. 79-0298	Resolution setting forth procedures for discussion and approval of items suggested by Airports Commissioners and the Director.
-------------	--

Mr. Heath said this was a follow-up on the suggestion made by Commissioner Goosby at the August 7 meeting, whereby a subject was introduced at one meeting and discussed and voted upon at the subsequent meeting, unless it was an emergency situation which demanded immediate attention.

* * *

The following resolution was unanimously approved:

(5) Establishment of a Photographic Library at the Airport

No. 79-0299	Resolution authorizing the establishment of a photographic library at the Airport.
-------------	--

Mr. Heath said that staff, at the suggestion of Commissioner Fleishell, had been working with the airlines and have been able to put a library into existence.

Commissioner Goosby asked if it could be displayed throughout the Airport, and Mr. Lou Turpen, Deputy Director for Operations and Maintenance, said it would be when feasible but for the present would be a library.

Commissioner Kadish suggested getting professional help, such as the staff of the Smithsonian, to assist in putting photographic exhibits in place.

* * *

The following resolution was unanimously approved:

(6) Contract No. 1200, Central Terminal Modernization, Approval of Amendment of Contract between City and County of San Francisco and FAA for Construction of a New Air Traffic Control Tower

No. 79-0300

Resolution approving Amendment One to Contract No. DOT FA76WE-3747 between the City and County of San Francisco and the Federal Aviation Administration for the construction of a new Air Traffic Control Tower.

Mr. Heath said this was just an amendment to the contract with the FAA regarding the moving of the Control Tower from the middle of the Garage to the Central Terminal.

* * *

The following resolution was unanimously approved:

(7) Administrator, Bureau of Terminal Construction

No. 79-0301

Resolution approving the appointment of Jason Yuen to the new position of Administrator, Bureau of Terminal Construction.

* * *

The following resolution was unanimously approved:

(8) Airline Reservation of Rights

No. 79-0302

Resolution under which it would be agreed that the Airlines paying the increased landing fees would not be giving up any of their legal rights.

Mr. Heath said this clarifies that payment of landing fees made this year would be subject to the same reservation of rights as had applied in the past.

* * *

The following resolution was discussed and a decision postponed until the September 4 meeting:

(9) Passenger Service Assistance Program

Resolution approving bid call for Service Agreement for Airport Patron Assistance and Guidance for a One-Year Term at a Cost not to Exceed \$300,000 and Requesting Supplemental Appropriation for Same.

Mr. Heath said it was hoped that the bids would come in much less than the authorized amount, and that this plan called for all existing operations in this area to be combined -- CETA, Travelers' Aid, Airport employees -- into an effective, efficient passenger service program.

Commissioner Fleishell voiced opposition to the item and compared the projected costs with those of Los Angeles International Airport and said that he considered this an unnecessary item in view of the Airport's need for money to complete its renovation program, need to save money and the possible need to divert money into the City's General Fund.

Commissioner Kadish spoke in favor of the item, and said that the money in question was separate from money related to capital expenditures. She said her primary concern was that inadequate service was provided to the 24 million people passing through the Airport annually. Commissioner Kadish suggested that some of the funds could be made up through the sale of advertising in brochures, etc.

Commissioner Fleishell said the function of an airport was to get people off an airplane and outside into decent transportation and into town, and that advertising couldn't be sold under those circumstances. He further said he didn't want to diminish or deny service, but he questioned the timing of this planned service at a time of economic stress.

Commissioner Bernstein asked that the matter be delayed two weeks for further consideration.

* * *

Consent Calendar of Routine Administrative Matters

The following resolutions were unanimously approved:

- (1) Professional Services Agreement, Consolidated Engineering Laboratories, Not to Exceed \$40,000

No. 79-0303 Resolution approving contract to provide Professional Services for materials testing in accordance with specifications for Airport Contract No. 1100, Boarding Area E.

- (2) Completion of Airport Contract No. 1187, Security Check Point at Connector and North Terminal

No. 79-0304 Resolution amending Commission Resolution No. 79-0232 of July 3, 1979 to reflect the proper amount of final payment for Airport Contract No. 1187.

- (3) Resolution Approving Sub-Sublease - Pan American World Airways, Inc. to Embry-Riddle Aeronautical University, Inc.

No. 79-0305 Resolution approving Pan American World Airways, Inc., Sublease of Plot 1C at San Francisco International Airport, desires to sublease 280 square feet of office space plus classroom area to Embry-Riddle Aeronautical University, Inc.

- (4) U.S. Coast Guard Base, Exchange of Road Easement and .11 Acres.
- No. 79-0306 Resolution authorizing the City's Director of Property to effect an exchange of road easements and 0.11 acres.
- (5) Tenant Improvement: Federal Aviation Administration, Relocation of Runway 28L Glideslope, \$25,000.00
- No. 79-0307 Resolution approving the final plans and specifications submitted by the FAA showing the relocation of the Runway 28L ILS Glideslope facility. Work to be performed by FAA at its own and sole expense, without rental credit.
- (6) Tenant Improvements: Trans World Airlines, Revise Aviation Fueling Facilities at Gate 59, Pier F - \$60,000; Improvements to Ramp Service Employee Facilities, Pier F - \$35,000
- No. 79-0308 Resolution approving the final plans and specifications submitted by TWA for two tenant improvement projects at Pier F. All work will be done by TWA at their own and sole expense, without rental credit.
- (7) Tenant Improvement: United Airlines Maintenance Center, Conversion of Lighting in Docks 3, 4, 5 and 6, to High Pressure Sodium Vapor Fixtures, \$96,000
- No. 79-0309 Resolution approving final plans and specifications submitted by United Airlines showing the conversion of the present mercury lighting system in Docks 3, 4, 5 and 6 at the Maintenance Operations Center to high pressure sodium fixture. Work will be done by United Airlines at their own and sole expense, without rental credit.
- (8) Normal Work Week for Airport Craft Employees
- No. 79-0310 Resolution for Commission approval and authorization of the Director of Airports to forward to the Board of Supervisors an amendment to Ordinance No. 139-79, Salary Standardization Ordinance, amending Section 11.A.3(0) thereof, to allow the Director of Airports to establish a normal work week of forty (40) hours for certain Airport employees assigned to the Maintenance Division.

Commissioner Goosby asked about Item (3), space requested by Pan American for a college and whether the college would be available to Airport employees, as well as airline personnel.

Mr. Jan Blais, Chairman of the Airlines Policy Committee, responded that as far as he knew about the Embry-Riddle Aeronautical University, it would offer technical courses for airline and Airport employees, as well as members of the public.

* * *

Consent Calendar of Contract Modifications

The following resolutions were adopted by a vote of 3 ayes (Kadish, Goosby, Fleishell); to 1 nay (Bernstein):

- 1) Modification No. 17 and Completion of Airport Contract No. 925, North Terminal Aprons and Reconstruction of Taxiways "S" and "SS"

No. 79-0311 Resolution accepting the work under Airport Contract No. 925, North Terminal Aprons and Reconstruction of Taxiways "S" and "SS", as satisfactorily completed; extending the completion date of Phase I to Phase IV from July 21, 1978 to March 13, 1979 and the completion date of Taxiway "A" extension from February 5, 1979 to May 5, 1979; approving and requesting the Controller's certification of Debit Modification No. 17 in the amount of \$102,410.81; and approving final payment in the amount of \$971,067.78 in favor of the contractor, Piombo Corporation, 505 Pico Boulevard, San Carlos, CA 94070.

This contract is part of Federal Aviation Administration ADAP Project No. 6-06-0221-08.

- 2) Modification No. 5 and Completion of Airport Contract No. 1122, Industrial Wastewater Collection System, Phase II

No. 79-0312 Resolution accepting the work under Airport Contract No. 1122, Industrial Wastewater Collection System - Phase II, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 5 in the amount of \$46,802.67; extending the completion date from April 28, 1978 to July 6, 1979; and approving final payment in the amount of \$161,476.09 in favor of the contractor, Piombo Corporation, 505 Pico Boulevard, San Carlos, CA 94070.

- 3) Modification No. 64 (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$290,880.00

No. 79-0313 Resolution approving and requesting the Controller's certification of Debit Modification No. 64 to Airport Contract No. 1000, in the total amount of \$290,880.00.

The contractor for this project is Robert E. McKee, Inc.

- 4) Modification No. 65 (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$180,385.00

No. 79-0314 Resolution approving and requesting the Controller's certification of Debit Modification No. 65 to Airport Contract No. 1000, in the total debit amount of \$180,385.

It is determined by Maintenance staff that the capacity of the Central Plant boiler room and Emergency Generators TG-1 and 2 day tanks must be increased and the fuel oil piping and electrical controls be revised so as to increase their periods of operation under emergency conditions to allow Airport personnel sufficient time to procure, transport and refill these tanks in a prolonged emergency situation to maintain vital services while the circumstances surrounding the emergency situation on the Airport are identified and resolved.

The contractor for this project is Robert E. McKee, Inc.

- 5) Modification No. 1 and Completion of Airport Contract No. 1102, Demolition of Pier "B", North Concourse and Baggage Shelters

No. 79-0315

Resolution accepting the work under Airport Contract No. 1102, Demolition of Pier "B", North Concourse and Baggage Shelters, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 1 in the amount of \$5,661.77; extending the completion date from July 12, 1979 to July 18, 1979; and approving final payment in the amount of \$47,930.77 in favor of the Contractor, Ferma Corporation, P.O. Box 1316, Mountain View, CA 94042.

* * *

Unfinished Business:

Commissioner Kadish requested that Mr. Heath prepare a resolution authorizing a procedure whereby members of the public will be permitted to address a meeting.

* * *

Mr. Dennis Kaplan spoke briefly on behalf of the cab drivers serving the Airport. Mr. Kaplan said his original intent had been to express dissatisfaction with the short-line procedures in the taxi lot, but the procedures had since been changed.

* * *

Trailing Calendar of Old Business

No discussion of the Trailing Calendar took place.

* * *

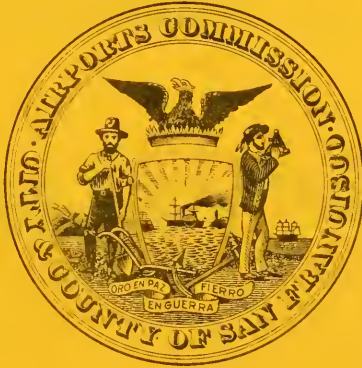
Adjournment:

Commissioner Kadish recessed the meeting at 4:25 p.m. and said that the meeting would reconvene at 2:25 p.m. on September 4, 1979, 5 minutes prior to the next regular public meeting of the Commission.

* * *

Warren D. Hanson
for Eric Craven
Secretary to
Airports Commission

SAN FRANCISCO AIRPORTS COMMISSION



SEP 20 1979

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MINUTES

Tuesday, September 4, 1979

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

**San Francisco International Airport
San Francisco, California 94128**

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
AND PUBLIC HEARING
Tuesday, September 4, 1979

Call to Order:

The regular meeting and public hearing of the Airports Commission was called to order at 2:30 p.m., in Room 282, City Hall, San Francisco, California .

* * *

Roll Call:

Present: Commissioners Ruth S. Kadish, William K. Coblentz,* Z. L. Goosby, J. Edward Fleishell.

Absent: Commissioner Morris Bernstein

* * *

Pledge of Allegiance: Led by Commissioner Coblentz

* * *

Approval of Minutes:

The following resolution was unanimously approved:

No. 79-0316 Resolution adopting Minutes of the Airports Commission meeting of August 21, 1979.

* * *

Election of Officers:

On nomination by Commissioner Coblentz, seconded by Commissioner Fleishell, Commissioner Bernstein was unanimously elected President for the coming year.

Commissioner Coblentz thanked out-going President Kadish for her efforts during the past year and expressed deep appreciation on behalf of the whole Commission.

*Commissioner Coblentz left the meeting at 5:38 p.m.

On nomination by Commissioner Goosby, seconded by Commissioner Kadish, Commissioner Coblentz was unanimously elected Vice President for the coming year.

* * *

5. Director's Reports

- (1) Implementation of the Financial Information and Resources Management System.
- (2) Management Improvement Program FY 1980-81.

Mr. Richard Heath, Director of Airports said that the progress made by the Management Consultants, Booz, Allen & Hamilton and Arthur Andersen was proceeding satisfactorily and the next step was the development of Goals and Objectives.

Commissioner Goosby asked that, in all discussions on the subject, that the title, "Goals and Objectives", be used to avoid confusion.

Commissioner Kadish had several suggestions and thought "Signing" should be a separate category. Mr. Heath said that while it was very important, it should be under Passenger service.

Commissioner Kadish questioned the item, "Physical Plant - Equipment", asking about the goal that change orders not exceed five percent and said that was not a major change from current practice. Mr. Heath answered that this was an objective set by Robert Lee and Jason Yuen since some projects have come in over, and some under, the five percent figure.

Commissioner Goosby asked about a merchandising developer for the Central Terminal, and Mr. Heath said that a similar plan will probably be developed for both the Central and South Terminals.

* * *

(3) Customs Arrival Area

Mr. Heath said that through working with Customs, and cooperation by Mexicana, a better spreading of activities in the International Arrival Center has resulted. Several additions are planned to provide relief in that area on a temporary basis.

Commissioner Kadish said she had walked through Pier F and found it was well handled and attractive, even on a warm day and hoped that something was being done, such as installation of fans, in the Customs area.

* * *

(4) Energy Conservation - Gasoline

Mr. Heath reported briefly on the experiment with gasohol use in some of the Airport cars and said that a regular gasohol tank was being installed.

* * *

(5) Chamber Music, Performed by Twin Pines Ensemble, Funded by CETA, Sponsored by San Mateo County Arts Council, in Rotunda Area of North Terminal during Specific Hours.

Mr. Heath said this musical group would be presenting public concerts and gave a schedule of performance times.

* * *

Agenda Items Involving Airport Policies or Major Operational Decisions

(1) Public Hearing - Revised Interim Noise Policy

Mr. Louis Turpen, Deputy Director Operations and Maintenance, explained the utilization of the Federal Aviation Administration Advisory Circular which reports the decibel levels of all aircraft now operating at the Airport.

Commissioner Coblentz asked about time constraints, and Commissioner Kadish said 180 days from September 4, otherwise there would be a loss of ADAP funds; however, she felt that everything possible should be done to institute a new policy in a minimum amount of time.

Commissioner Coblentz asked if funding would be lost unless standards were set up by a certain time, and Mr. Heath said that was no longer a problem since the interim noise policy, which had been objected to by the FAA and CAB, had been revoked. Mr. Heath said, however, that it was expected that the land use study project would report and recommend certain mitigation measures within 180 days.

The following people spoke in opposition to adopting a revised interim noise policy at this time. Copies of their statements are attached to these minutes and incorporated herein by reference.

Paul C. Leonard, Vice President, Western Region, Air Transport Association of America; Michael Gurley, Western Regional Vice President of The Flying Tiger Line, Inc., and Gregory P. Hurst, Vice President for Public Affairs Department of the San Francisco Chamber of Commerce.

The following people spoke in support of adopting a revised interim noise policy immediately. Copies of their statements are attached to these minutes and incorporated herein by reference.

Dr. Virginia McClaim, Foster City Noise Abatement Committee; Pearl and Leonard Kaplan; Sandra Mangold on behalf of Roseann Emerson and the Serramonte Home Owners' Association; Anita Maraviglia of Airport Impact Reduction Force; and Terry Burnes for David C. Hale of the San Mateo County Planning Department.

Joyce Spence spoke in support, on behalf of the North County Committee for a Quieter Airport, and Millbrae Councilman Arthur Lepore, a member of the Joint Powers Board and Chairman of the Airport Land Use Committee, prefaced his remarks by complimenting the Commission on the newly published Airport Transit Guide and then strongly supported a revised noise policy.

Commissioner Fleishell said he had received a request from Peter Cervantes-Gautschi of the Airport Labor Coalition that no decision be made until he was able to make a presentation on behalf of the 21 unions he represented.

Commissioner Kadish said the Commission should not be entirely dependent on the results of the land use study and expressed her feeling that a revised noise policy for the Airport should be adopted as soon as possible.

* * *

The following resolution was unanimously approved:

- (2) Contract No. 1200, Approval of Preliminary Plans for Central Terminal Modernization

No. 79-0319	Resolution approving the preliminary design dated July 16, 1979, and authorizing Gensler and Associates to proceed with the construction document phase for the Central Terminal and Control Tower portion of Contract No. 1200, Central Terminal Modernization.
-------------	--

Mr. Arthur Gensler made a brief presentation, showing the planned design and layout of the various floors of the Central Terminal.

* * *

The following resolution was unanimously approved:

- (3) Public Participation at Commission Meetings

No. 79-0320	Resolution approving a procedure whereby members of the public may address the meeting.
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* * *

The following resolution was unanimously approved:

(4) Art Enrichment Program

No. 79-0321 Resolution approving award of certain commissions to artists and the creation of a special holding fund by the Controller to pay for said works of art.

Commissioner Goosby asked if the Commission would get an opportunity to look at photographs of the works of art purchased and Mr. Heath said that as soon as they were located at the Airport the Commission would be able to view the art pieces.

* * *

The following item was taken off calendar at the request of Commissioner Coblentz:

(5) Resolution Approving Bid Call for Airport Patron Assistance and Guidance Program.

Resolution approving Bid Call for Service Agreement for Airport Patron Assistance and Guidance for a one-year term at a cost not to exceed \$300,000 and requesting supplemental appropriation for same.

* * *

The following resolution was discussed and put over until a future meeting:

(6) Extension of SFO Airporter, Inc. Operating Agreement

Resolution approving the extension of SFO Airporter, Inc. operating agreement.

Mr. Heath said the Airports General Counsel had advised that an extension can be granted only if the exclusivity is removed from the agreement.

Mr. Stephen Leonoudakis of Airporter displayed and explained designs of the proposed Downtown Terminal. Mr. Leonaudakis had arranged for a 35 year leasehold commitment with the Archdiocese and to finance the whole program on a 25 year loan for construction. He suggested that the present contract be concluded and be on a non-exclusive basis for a term of approximately 22 years. Mr. Leonaudakis said that all permits had been cleared, the planning and design work completed, they were ready to break ground as the financing completed, and he hoped to be able to start construction immediately in order to have a decent shelter by sometime in December.

Mr. Heath told the Commission it would not be necessary to go out to bid to grant an extension, as it was to be on a non-exclusive basis.

Commissioner Coblentz asked that the item be put over, as he was not in a position to vote at this time.

* * *

cess:

The meeting was recessed at 4:50 and reconvened at 4:55 p.m.

* * *

The following resolution was unanimously approved by the aye vote of Commissioners Kadish, Goosby and Fleishell.*

(7) Recommendation for Inclusion of the Taxicab Operation in the Garage Contract

No. 79-0323	Resolution establishing an efficient, safe, adequately-sized taxi staging area.
-------------	---

Mr. Heath said staff had investigated various methods of handling the taxicab operation as the present staging area is inadequate and the use of the Southwest Courtyard creates a traffic hazard. Mr. Heath said no suitable alternative area outside of the Garage had been found. Staff had suggested setting aside space on the second level, which could be expanded or reduced as needed, and creating a ground level exit which would be convenient to all three terminal buildings. This exit could be completed within sixty days, at minimal cost, by merely removing a section of the retaining wall.

The following spoke in opposition to the suggested plan: William Canright, whose written statement is attached to these minutes and incorporated herein by reference, Ed Burke and Garth M. Chojnowski, who presented a petition containing several hundred signatures which is attached to these minutes and incorporated herein by reference. Tom Rickey, Tom Zahuranec, Robert Franklin, Conrad Donovan, Gary Kraft, Raul Rodriguez, Craig Gordon, Barry Gordon, Charles Speidel, Geoff Bender; and Dirk Neyhard, also spoke in opposition.

The consensus of those opposed was that the exhaust fumes in the Garage would be a health hazard; suitable toilet facilities would not be available; it would be difficult to leave a cab to eat; and the catered food available was not satisfactory. A major concern was handling short hauls and several alternatives including operating on a volunteer basis were offered. The speakers asserted that there had been no input from cab drivers in the decision-making process.

*Commissioner Coblentz was absent from the meeting for five minutes.

Art Riddle, taxicab dispatcher for the Garage, disputed claims of unsanitary toilet facilities, and stated that the drivers were uncooperative in maintaining cleanliness in the taxi lot.

Mr. Turpen explained reasons for the staff recommendation: the traffic backup on the roadway and that the entire courtyard will soon be abolished due to construction. Mr. Turpen said he and Mr. Heath had had a number of discussions with representatives of the industry, but it was impossible to meet individually with each driver.

There was discussion about the short haul charges, and the Commission suggested that all alternatives, including the volunteer method, be thoroughly investigated. Commissioner Kadish emphasized that the morale of the drivers was an important consideration, as well as the convenience of the users of the Airport.

* * *

The following resolution was unanimously approved:

- (8) Amendment to Section 1.4.5 of the Airport Rules and Regulations for Ground Transportation Services at the Airport.

No. 79-0318 Resolution authorizing certain amendments to the Airport Rules and Regulations.

Mr. Heath explained this item related to limousines, courtesy vehicles and vans, and fees and charges, and was a reasonable recommendation although probably not satisfactory to everyone.

James M. Anderson, Bay Area Limousine Service, spoke against the resolution and asked to be put on the list for issuance of permits.

Del Jones of Holiday Limousine Service spoke in favor of the resolution.

Walter H. Walker, III, attorney for Golden State Limousine, Inc., spoke in support and offered some extracts of state law which are attached to these minutes and incorporated herein by reference.

Eldon Johnson, representing several bus companies, said he agreed with the proposed rate structure, but asked that consideration be given to more efficient parking of buses inbound.

Harold Dobbs, attorney representing Airport Limousine of Sunnyvale and Associated Limousine Company, said his clients had no objection to other operators at the Airport, but spoke against the installation of additional booths in the terminals due to lack of space.

The Commissioners agreed that monitoring of trips would be a major consideration, and that the policy was now to open up the Airport to new businesses.

* * *

The following resolution was unanimously approved, as amended:

(9) North Terminal Concession Policy

No. 79-0322 Resolution authorizing Director to proceed with the development of five (5) additional concession bid specifications for the North Terminal Building. The bidding process will not occur until the present concessions out to bid are awarded. The proposed concessions are: Personally Yours, Ethnic Display Center, Toys, Nuts 'n Such, Cookies.

Commissioner Coblentz made the motion but deleting the proposed Entertainment Center, and said the installation of such a concession was a policy decision which should not be made until the features to be offered were clarified.

Commissioner Kadish said she objected to the Clothing Boutique and the suggested location which intruded on the Lounge area as she felt that area should be kept as an attractive lounge for the travelers.

Jan Blais of United Airlines asked again to have a barber shop located in the North Terminal.

J. Peter Singer, Deputy Director for Business Administration and Finance, explained that a third barbershop would work a hardship on the present concessionnaire who currently maintains a shop in the Central and South Terminals. Mr. Singer said it was staff's recommendation that another shop not be installed at least while the Central Terminal was still in operation and the current lease in force.

Commissioner Goosby objected to the deletion of the Entertainment Center, saying he thought the public should not be deprived of entertainment.

It was decided that the Entertainment Center and the location of the Clothing Boutique should be discussed at a subsequent meeting.

* * *

Consent Calendar of Routine Administrative Matters.

The following resolutions were unanimously approved:

- (1) Bid Rejection, Contract No. 1096, Emergency Communication System for Elevators - North Terminal and Parking Garage.

No. 79-0324 Resolution rejecting all bids received for Airport Contract 1096, Emergency Communication System for Elevators, North Terminal and Parking Garage.

- (2) Bid Call, Contract No. 1256B, Railing Cap Addition, Upper Roadway, North Terminal.

No. 79-0325 Resolution approving the final plans and specifications and authorizing the Director to call for bids for Contract 1256B, Railing Cap Addition, Upper Roadway, North Terminal.

- (3) Award of Contract No. 1189R, Drainage Improvement at Gate 68, Pier "FF", \$18,032.00.

No. 79-0326

Resolution awarding Contract 1189R, Drainage Improvement at Gate 68, Pier "FF", to Hodgson Construction, Inc., 2815 Fair Oaks Avenue, Redwood City, CA in the total amount of \$18,032.00.

The purpose of this contract is to prevent the flooding around Gate 68, by repaving and changing the drainage patterns.

- (4) Award of Contract No. 1257, Silt Removal, Fiscal Year 1979-80.

No. 79-0327

Resolution awarding Airport Contract No. 1257, Silt Removal - Fiscal Year 1979-80 to CAL Equipment, 710 Orange Avenue, San Carlos, California 94070 in the total amount of \$26,950.00.

- (5) Completion of Airport Contract No. 1221R, Newspaper Vending Machine Enclosures, Boarding Areas "H" and "I".

No. 79-0328

Resolution accepting the work under Airport Contract No. 1221R, Newspaper Vending Machine Enclosures - Boarding Areas "H" & "I" as satisfactorily completed and approving final payment in the amount of \$9,900.00 in favor of the contractor, Leon Carlen, General Building Contractor, 3232 Mission Street, San Francisco, CA 94110.

- (6) Completion of Airport Contract No. 1222, Alterations to Pier "C" at Cart Road Area.

No. 79-0329

Resolution accepting the work under Airport Contract No. 1222, Alterations to Pier "C" at Cart Road Area, as satisfactorily completed and approving final payment in the amount of \$56,900 in favor of the contractor, Anderson Constructors, Inc., 330 First Street, San Francisco, CA 94105.

- (7) Modification No. 1 and Completion of Professional Services Agreement, Hales Testing Laboratories.

No. 79-0330

Resolution accepting the work under Professional Services Agreement with Hales Testing Laboratories, Controller's No. 70229, as satisfactorily completed and approving and requesting the Controller's certification of Credit Modification No. 1 in the amount of \$1,895.10.

Part of Federal Aviation Administration ADAP Project No. 6-06-0221-08.

- (8) Tenant Improvement: United Airlines,
Plot 4 Ground Vehicle Maintenance Shop, \$350,000.

No. 79-0331

Resolution approving plans and specifications submitted by United Airlines showing the construction of a group equipment maintenance shop at the Service Center on Plot 4. The shop will consist of a single story building with a floor area of 9,000 square feet.

The work will be done by United Airlines at their own and sole expense and without rental credit.

- (9) Tenant Improvement: Western Airlines,
Relocation of Employee Parking Lot, \$98,000.

No. 79-0332

Resolution approving final plans and specifications showing the relocation of Western Airline's employee parking lot at their hangar and air cargo facility. The work consists of paving a plot to replace the existing employee parking lot.

The work will be done by Western Airlines at its own and sole expense and without rental credit. The estimated cost is \$98,000.

- (10) Tenant Improvement: Budget Rent-A-Car, Reservation
Counter Computer Terminal Installation, \$25,000.

No. 70-0333

Resolution approving plans and specifications submitted by Budget Rent-A-Car showing installation of computer terminals at Budget's reservation counters in the Airport passenger terminal buildings. The work will be done by Budget Rent-A-Car at its own and sole expense and without rental credit. The estimated cost is \$25,000.

* * *

9. Consent Calendar on Contract Modifications.

The following resolutions were unanimously approved:

- (2) Modification No. 66 (Debit), Airport Contract No. 1000,
Garage: Stage IV - Superstructure Addition, \$34,218.00

No. 79-0334

Resolution approving and requesting the Controller's certification of Debit Modification No. 66 to Airport Contract No. 1000, in the total debit amount of \$34,218.00.

It is determined by Engineering Staff that additional street improvements and utilities are required to be completed on the lower level road by the contractor in concurrence with the required contract work, and to accomplish this work in the "first phase" of Contract 1000 rather than the "second phase", in order to accommodate the City contract for pavement overlay for the area between the North Terminal and the new garage.

- (4) Modification No. 1 (Debit), Airport Contract No. 1198, Aircraft Parking Apron, North Terminal, East Phase, \$7,000.

No. 79-0335

Resolution approving and ratifying the action of the Director of Airports in approving Change Order Nos. 1198-1 and 1198-2 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 1 in the amount of \$7,000. The contractor for the work is Piombo Corporation.

This modification provides for installation of 12" x 12' long timber barricades and automatic flash units with batteries along asphaltic concrete and Portland cement edges to prevent vehicles from driving over the edges of the completed work area.

The following resolutions were discussed and taken off calendar:

- (1) Completion and Final Modification of Airport Contract No. 650C, Completion of North Terminal Building, Modification No. 42 (Debit), \$231,980.66.

Resolution accepting the work under Airport Contract No. 650C, Completion of North Terminal Building, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 42 in the amount of \$231,980.66; extending the completion date from November 19, 1978 to April 22, 1979; and approving final payment in the amount of \$306,855.66 in favor of the contractor, F.P. Lathrop Construction Company, Suite 1100, Watergate Tower, 1900 Powell Street, Emeryville, CA 94608.

- (3) Modification No. 67, (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$25,000.

Resolution approving and requesting the Controller's certification of Debit Modification No. 67 to Airport Contract No. 1000, in the total amount of \$25,000.00.

Commissioner Kadish questioned Items (1) and (3) asking where responsibility rested for the modifications. Don Garibaldi, Airports General Counsel, and Robert Lee, Deputy Director Planning and Development, stated that these matters were being evaluated and would be determined.

* * *

10. Trailing Calendar of Old Business

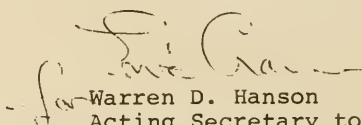
There was no discussion.

* * *

11. Adjournment

There being no further business before the Commission, the meeting adjourned at 6:38 p.m.

* * *


-for- Warren D. Hanson
Acting Secretary to the
Airports Commission

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

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Tuesday, September 11, 1979

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President

WILLIAM K. COBLENTZ
Vice-President

RUTH S. KADISH
DR. Z.L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH
Director of Airports

San Francisco International Airport
San Francisco, California 94128

SPECIAL MEETING
OF THE
AIRPORTS COMMISSION

Tuesday, September 11, 1979

1. The Meeting was called to order at 2:35 in the Commissioners' Room, Third Floor, San Francisco, Main Library, San Francisco, California.

* * *

2. Roll Call:

Present: Commissioners William K. Coblentz,
Ruth S. Kadish, Z. L. Goosby, J.
Edward Fleishell

Absent: Commissioner Morris Bernstein

* * *

3. Consideration of Compilation of Policies

Commissioner Coblentz called the Commission to order to meet as a Committee of the Whole to consider the preliminary compilation of Airport policies.

Commissioner Kadish said that some items gathered as policies are actually procedures.

Commissioner Goosby said that there are some administrative directives referred to as policies. He said that, additionally, perhaps some resolutions previously passed should be repealed. He asked if there needed to be a resolution on personnel procedures or were all personnel procedures covered by Civil Service.

Commissioner Kadish asked if there was a section in the compilation relating to contracts and professional service agreements.

Commissioner Fleishell said that often government creates more problems than are necessary. He said that if one function is covered by another department, such as Civil Service, the Airport should not needlessly duplicate that function.

Mr. Richard Heath, Director of Airports, said that he felt the compilation was a good beginning which would lead to a policy manual. He said that there should be a differentiation between three categories: long-range goals; policies; and procedures.

He recommended that statements should be made in the same form as the statements covering the Airport's ten areas of activity.

He said that he would hope that the project could be accomplished as a class project or some other low-cost way in thirty to sixty days.

Commissioner Kadish said that in regard to page 33, the telephone poll policy should be revoked or perhaps already had been. She said she had some additional thoughts about page 87.

Mr. Heath said that he would like to see various compilations: something on EIRs; an Airline Tenants Guide; and an Energy Procedures Guide. He said that he felt that a policy was a philosophic statement of a way of operating; a goal was a long-range objective with no specific time involved; and an objective was a shorter-range statement with specific results to be achieved in a specified time period. He said that it was his feeling that a policy manual should not contain more than 15 or so statements.

Commissioner Kadish said that cross indexing would be necessary.

Mr. Heath agreed.

Commissioner Kadish asked if it would take thirty to sixty days to complete the project.

Mr. Heath said he thought that would be enough but asked Mr. Eric Craven, Commission Secretary, for his opinion.

Mr. Craven said that he felt it would take four to six months based on the experience with the initial compilation of policies.

Commissioner Coblentz said that it should be attempted to complete the manual within an initial time frame of 120 days and, if necessary, there could be subsequent extensions.

* * *

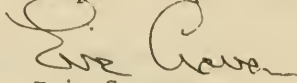
4. Adjournment to go into Executive Session

There being no further business before the Commission, the meeting was adjourned at 2:55 PM.

* * *

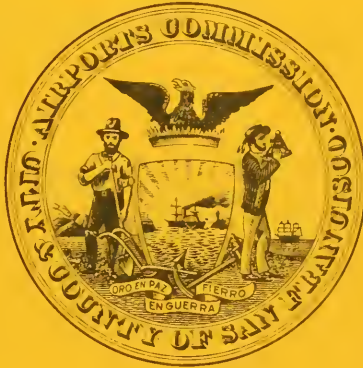
5. Executive Session

Respectfully Submitted,



Eric Craven
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

OCT 9 1979

Tuesday, September 18, 1979

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DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President

WILLIAM K. COBLENTZ
Vice-President

RUTH S. KADISH

DR. Z.L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

**San Francisco International Airport
San Francisco, California 94128**

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

September 18, 1979

1. Call to Order:

The regular meeting of the Airports Commission was called to order at 2:37 p.m., in Room 282, City Hall, San Francisco, California.

* * *

2. Roll Call:

Present: Commissioners Morris Bernstein,
Ruth S. Kadish, Z.L. Goosby,
J. Edward Fleishell.

Absent: Commissioner William K. Coblentz

* * *

3. Pledge of Allegiance: Led by Commissioner Kadish.

* * *

4. Approval of Minutes:

The following resolution was unanimously adopted:

No. 79-0336 Resolution adopting Minutes of the
Airports Commission meeting and
public hearing of September 4, 1979.

* * *

5. Director's Reports

(1) Interim Noise Policy

Mr. Richard Heath, Director of Airports, said he had planned to have a recommendation for the Commission but has not yet received the necessary data that had been requested from the airlines, but that he expected he would have the information by the October 2 meeting.

Commissioners Fleishell and Kadish said that if the information was not forthcoming, the Commission itself should make the decision.

* * *

(2) Human Rights Commission--Policy on Concessions

Commissioner Goosby asked what the status was of the Human Rights Commission policy on minority business enterprises. Mr. Heath said that Mr. Grant Mickens, Director of the HRC, had informed him that the proposed policy was currently being reviewed by the City Attorney.

* * *

6. Items Initiated by Commissioners

There were no items initiated by Commissioners.

* * *

7. Agenda Items Involving Airport Policies or Major Operational Decisions.

The following resolution was unanimously adopted:

- (1) Amendment to Professional Services Agreement with Arthur Andersen & Co.

No. 79-0337

Resolution approving amendment to the professional services agreement with Arthur Andersen & Co., a consulting partnership, which was engaged to assist the Airport in the implementation of the Financial Information component of the FIRM Project, authorizing the commencement of Phase III and provides additional funding of \$33,000, bringing the total contract to \$352,000.

Mr. Heath said this additional amount was requested as it was necessary to give more work than originally planned to the consultants, as it had proved impossible to release members of the Airport's Accounting staff to work with the consultants because Civil Service was not able to provide replacement accountants rapidly enough.

* * *

The following resolution was unanimously adopted:

(2) Discontinuance of Southern Pacific Commuter Service.

No. 79-0338

Resolution opposing discontinuance of Southern Pacific Co. passenger trains between San Francisco and San Jose, and supporting the MTC position before the Interstate Commerce Commission.

* * *

The following resolution was unanimously adopted:

(3) Employee Commendation

No. 79-0339

Resolution commending the actions of Alfred Brown, Airport Custodian.

Mr. Heath said he had received a letter relating to an unusual situation, wherein a woman traveling along through the Airport had received assistance from Mr. Alfred Brown, Airport Custodian, which was far beyond Mr. Brown's usual duties.

Commissioner Kadish said it was a great pleasure to award this commendation to such a loyal and perceptive employee whose actions were greatly appreciated by the Commission.

Mr. George Brown was present to accept the commendation on behalf of his uncle, and thanked the Commission.

* * *

On motion of Commissioner Kadish, seconded by Commissioner Fleishell, the following resolution failed, 2 ayes (Goosby, Fleishall) to 2 nays (Bernstein, Kadish); that vote was rescinded and consideration of the resolution postponed until the October 2 meeting, 3 ayes (Bernstein, Goosby and Fleishell) to 1 nay (Kadish):

(4) Completion and Final Modification of Airport Contract No. 650C, Completion of North Terminal Building, Modification No. 42, (Debit) \$231,980.66.

Resolution accepting the work under Airport Contract No. 650C, Completion of North Terminal Building, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 42 in the amount of \$231,980.66; extending the completion date from November 19, 1978 to April 22, 1979; and approving final payment in the amount of \$306,855.66 in favor of the contractor, F.P. Lathrop Construction Company.

The following resolution was adopted, 3 ayes (Kadish, Goosby, Fleishell) to 1 nay (Bernstein):

- (5) Modification No. 67 (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$25,000.

No. 79-0340

Resolution approving and requesting the Controller's certification of Debit Modification No. 67 to Airport Contract No. 1000, in the total amount of \$25,000.00. The work directs the contractor, Robert E. McKee, Inc., to use non-combustible paint, provides special protection to active mechanical and electrical equipment, and authorizes overtime pay in the painting of the Central Plant in order not to shut down equipment which is vital for the proper temperature control in the North Terminal.

Mr. Heath said that both these items had been put over from the last meeting as the Commissioners had had questions were were answered in the memoranda in the calendar packages.

Commissioner Goosby asked if the escalators had been repaired and the responsibility fixed.

Mr. Heath said there were still problems with the escalators and the moving walks. Otis, the installer, has now said the design was deficient, that there should have been several short moving walks, rather than long ones, as there are problems with the long handrail.

Commissioner Kadish asked Mr. John Caprone, of CMC, in regard to Contract 1000, why the request was for a maximum of \$25,000, when the North Terminal was open and presumably the work had been done. She asked the exact cost, how much overtime, the original budget, and other questions which she said had been asked at the previous meeting and were still unanswered.

Mr. Caprone said the accompanying memorandum spelled out the details of the work; \$11,000 had been spent, the work was still in progress which was why an indefinite amount was asked, but it would be less than \$25,000 when completed.

Commissioner Fleishell asked if there was any culpability, any liability on the part of anyone.

Mr. Caprone said that the City, with the recommendation of CMC, had gone into an accelerated program in order to get the central plant operating for the opening. The painting could not be done while the plant was hot, thus incurring extra expenses of overtime.

Commissioner Fleishell asked if there was failure to tell the painter to move up the work to keep pace with the accelerated program.

Mr. Caprone explained it was impossible to do the work on the engine and paint at the same time, and since the contract called for the work to be done during normal working hours, the overtime was necessary.

Commissioner Kadish brought up the legal interpretation of contracts in regard to bringing facilities up to Code, saying she had been told the contractor had the responsibility of meeting Code requirements, even if they were instituted after the start of a contract. She said that since this was a contract being reviewed by Mr. Irving Soffer, the consultant for such review, she thought it wiser to bill the consultant now, rather than pay these expenses.

Mr. Heath said if the consultant should refuse to pay, the work would not be done, which was the reason that lawsuits were not started in the middle of a contract.

Mr. Don Garibaldi, Airports General Counsel, said that it was his understanding that at the time the contract was let, the safety requirements were not yet in the law; the law was subsequently changed and made retroactive so additional work not originally contemplated was thus required.

Mr. Heath said there was no way a contractor would be held liable for Codes put into effect after the contract for the work was signed.

Mr. Caprone referred to the Otis modification, saying that the San Francisco Airport Architects had been notified in writing on July 9, 1975 that the sensing devices should be included in the contract documents. SFAA had sent the information to their electrical consultants, Bounaccorsi & Associates, who had not incorporated the devices into their drawings. Mr. Caprone said that the Airport should go to the consultants, through SFAA. He said the events had all been documented and Mr. Soffer was currently reviewing it.

Mr. Heath said that if these two modification items were turned down, the Commission would have to give instructions and direction to the staff on how to proceed in these matters. Mr. Heath said the Commission should consider that there are subcontractors involved and there could possibly be litigation.

* * *

The following resolution was unanimously adopted:

(6) SFO Airporter, Inc. Operating Agreement

No. 79-0341

Resolution approving amendment to the
SFO Airporter, Inc. operating agreement.

Mr. Heath said that the proposed resolution would require any future successful bidder for the Airporter contract to pick up the liability under the lease agreement for land between SFO Airporter and the Archdiocese and for the capital debt service of the loan being obtained to build the facility.

Commissioner Goosby asked if the feasibility of the Airport taking on the obligation of a Downtown Terminal had ever been investigated, and suggested that the resolution be amended to direct that such a study be made with a view to the Airport taking on the obligation in 1982.

Mr. Garibaldi said the Airport was precluded by the City Charter from maintaining a facility for serving public transit.

Mr. James Clapp, attorney for Lorrie's Travel and Tours, objected to the resolution and asked that it be the vehicle for removing the exclusive clause from the present agreement. Mr. Clapp spoke at some length on the problems of Lorrie's in their operation at the Airport, their licensing authority, and the area they were serving.

Mr. Stephan Leonoudakis, operator of SFO Airporter, spoke in support of the resolution and of maintaining the exclusive clause for the duration of the present agreement and recalled the efforts and money spent in reviving the business after his company took over from the bankrupt Yellow Cab Company, the original holder of the contract.

Mr. Heath said his personal feeling on the matter would be, in terms of fairness and good business, it would not be appropriate to change the terms of the contract midway and while the operator was in the process of a major capital investment. Mr. Heath said the resolution had been designed to give the Commission flexibility when the contract was rebid or extended, in order to make decisions as to exclusivity at that time.

* * *

8. Consent Calendar of Routine Administrative Matters

The following resolutions were unanimously adopted:

- (1) Bid Call - Airport Contract No. 1246,
Motorized Controls for Sunshades, North Terminal.

No. 79-0342	Resolution approving the final plans and specifications and authorizing the Director to call for bids for Airport Contract No. 1246, Motorized controls for Sunshades, North Terminal.
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- (2) Modification No. 2 and Completion of Airport Contract No. 1176 - Emergency Airfield Pavement Repairs, Fiscal Year 1978-79.

No. 79-0343	Resolution accepting the work under Airport Contract No. 1176, Emergency Airfield Pavement Repairs, Fiscal Year 1978-79, as satisfactorily completed; approving and requesting the Controller's certification of Credit Modification No. 2 in the amount of \$2,493.75 in favor of the contractor, Lowrie Paving Company, Inc., 1321 Lowrie Avenue, South San Francisco, California 94080.
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- (3) Tenant Improvement: United Airlines Air Cargo Building,
Replace Deteriorated Concrete Pavement, \$150,000.00.

No. 79-0344

Resolution approving final plans and specifications submitted by United Airlines showing the replacement of deteriorated concrete pavement at the truck dock area adjacent to their Air Cargo Building at Plot 6. The work will be done by United Airlines at their own and sole expense and without rental credit. The estimated cost is \$150,000.00.

- (4) Capital Project No. 1223, Approval of Tenant Contract Drawings, PSA/Northwest (TMR 2241) and Hughes Airwest (TMR 2241) Modifications to Pier D.

No. 79-0345

Resolution approving the contract drawings of PSA/Northwest and Hughes Airwest modifications to Pier D and approval to commence remodeling and construction. These are interim relocation projects and an integral part of Modernization and Replacement phase of the Terminal expansion program.

* * *

9. Consent Calendar for Contract Modifications:

The following resolutions were adopted, 3 ayes (Kadish, Goosby, Fleishell) to 1 nay (Bernstein)

- (1) Modification No. 68, Airport Contract No. 1000 (Debit)
Garage: Stage IV - Superstructure Addition, \$10,822.00

No. 79-0346

Resolution approving and requesting the Controller's certification of Debit Modification No. 69 to Airport Contract No. 1000, in the total debit amount of \$10,822.00.

The contractor for this project is Robert E. McKee, Inc.

This modification directs contractor to revise the sprinkler system, complete electrical interfacing, provide interim controls and interim drainage piping, add castors for C.O. annunciator cabinets, modify access sleeve to fuel oil tank manholes, add metal stud and gypsum board closure, revise ceiling heights, install additional handrails and reverse roof hatch swing.

- (2) Modification No. 69 (Debit), Airport Contract No. 1000,
Garage: Stage IV - Superstructure Addition, \$14,270.00.

No. 79-0348

Resolution approving and requesting the Controller's certification of debit modification No. 69 to Airport contract No. 1000, in the total debit amount of \$14,270.00.

The contractor for this work is Robert E. McKee, Inc.

Provide for the service of a start-up engineer, installation of a 400:5 ratio current transformer, wiring for the remote stop of the chillers from the control panel, realignment of chillers and payment of overtime differential in conjunction with the "accelerated construction program."

* * *

10. Items Removed from Consent Calendar

No items were removed.

* * *

11. Communications

No communications were reported.

* * *

12. Trailing Calendar of Old Business

No discussion.

* * *

13. Adjournment of public meeting to go into Executive Session

There being no further business before the Commission, the public meeting adjourned at 3:52 p.m. to go into Executive Session.



Eric Craven
Commission Secretary

A-15
#2
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SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

Tuesday, October 2, 1979

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DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President

WILLIAM K. COBLENTZ
Vice-President

RUTH S. KADISH
DR. Z.L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport
San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

Tuesday, October 2, 1979

1. Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m., in Room 282, City Hall, San Francisco,

* * *

2. Roll Call:

Present: Commissioners Morris Bernstein,
William K. Coblentz*, Ruth S. Kadish,
Z. L. Goosby, J. Edward Fleishell.

Absent: None

* * *

3. Pledge of Allegiance: Led by Commissioner Coblentz.

* * *

4. Approval of Minutes:

The following resolution was unanimously adopted:

No. 79-0349 Resolution adopting Minutes of the
Airports Commission meeting of
September 11 and September 18, 1979.

* * *

*Commissioner Coblentz left the meeting at 4:15 p.m.
during the discussion of Policy-Operations Item (5), A
Approval of Preliminary Plans, Boarding Area "D".

1A. Special Award:

Commissioner Bernstein presented former Commissioner William E. McDonnell a plaque in appreciation of his dedicated work on behalf of the Airport during the years 1970-1978, when he served as President of the Airports Commission.

Commissioner Coblentz also spoke, seconding Commissioner Bernstein's remarks.

Mr. McDonnell thanked the Commissioners for the presentation and the staff for the work they had put in over the years he was on the Commission.

* * *

5. Agenda Items Involving Airport Policies or Major Operational Procedures.

The following resolution was adopted as amended, 4 ayes (Bernstein, Kadish, Goosby, Fleishell) to 1 nay (Coblentz):

- (4) Resolution establishing a contract with the SFIA Medical Clinic.

No. 79-0350

Resolution establishing a contract with the SFIA Medical Clinic with a subsidy of \$40,000 annually.

Mr. Heath said this item, as originally presented, concerned the renewal of the contract for the Medical Clinic with a subsidy which would permit its operation on a 24-hour, 365-day basis. He said there had been some objections to the subsidy, so staff had negotiated with Dr. Smookler, and the proposal before the meeting was the result of those discussions. Mr. Heath said, however, there was still feeling that other alternatives should be explored and that the proposal did not provide incentive for the Clinic to hold down costs. Mr. Heath suggested that the Commission consider the fact that about 70 percent of the patients at the Clinic were Airport employees, while 30 percent were passengers. He said it should also be considered that the Clinic had been asked by the Airport to remain open continually for Airport-related activities, since the level of commercial business did not warrant such hours. Weight should also be given to the fact that Dr. Smookler and staff were very helpful in the disaster drills and actions, would be an integral part of a medical team in the event of a disaster, and no direct compensation was provided for this cooperation.

Commissioner Fleishell referred to a letter from TWA announcing its medical facility, freeing up some 2,500 potential patients. He said he thought the time had passed for subsidizing such a highly profitable operation, and urged a declining subsidy.

Commissioner Goosby agreed with Commissioner Fleishell and said that staff should, over the next three years, investigate the possibility of having competing groups of practitioners bid to provide this service. He mentioned there was also subsidization in the form of rental rates.

Mr. William McDonnell, former Commission President, spoke at some length, recalling the history of the Medical Clinic, how it came into being, and that the reason for the subsidy was that the Commission had asked Dr. Smookler to operate the Clinic on a round-the-clock basis. Mr. McDonnell said, also, that the Clinic was one thing at the Airport in which all took great pride.

Commissioner Kadish agreed it was a valuable service, but the problem was the shortage of funds and that it was necessary to handle the service as efficiently but as inexpensively as possible.

Dr. Samuel LaPorte, a partner in the Medical Clinic, said they had borrowed \$150,000 to set up the facility and for the first five years had not realized a profit. He said that Dr. Smookler had gradually phased out his private practice and now devoted about 95% of his time to the Airport and earned approximately \$40,000, while he, Dr. LaPorte, spent about 40 percent of his time at the Clinic for \$16,000 annually.

Dr. Lawrence Smookler, head of the Clinic, spoke at some length, saying his IRS return had shown \$43,400 net income. He mentioned the commendations the Clinic had received, and its benefit to the Airport. He emphasized that the Airport Commission's own analyst had spent three months studying the Clinic and had recommended that the \$85,000 subsidy be continued.

Various suggested resolutions were moved, seconded and discussed, but were all rejected: that in no event would the annual payment by the Airport exceed \$40,000; that the annual figure be \$25,500, 30 percent of the suggested \$85,000 subsidy, based on the fact that that percentage of the patients were passengers; that the original proposal be approved.

Mr. Heath said again that he considered the formula used in the figuring of the subsidy to be faulty. He said he thought it should be considered that the Airport took all risks for increased costs and that it would be appropriate to fix the amount of subsidy for a number of years, so it would be necessary for Clinic costs to be held down. The Airport could determine what extra services were desired and pay for them.

Commissioner Coblentz moved that the subsidy not exceed \$80,000 annually, seconded by Commissioner Bernstein. The motion failed by the following vote: aye, Commissioner Coblentz; nay, Commissioners Bernstein, Kadish, Goosby, Fleishell. At this point, the amended resolution was moved and approved.

* * *

4B. Report on Executive Session:

Mr. Eric Craven, Secretary to the Commission, read his announcement of Commission's action in Executive Session on September 18, 1979, which is attached and included by reference.

* * *

5. Director's Reports

(1) Use of Staff Vehicles

Mr. Heath said that staff was studying the ordinance being considered by the Board of Supervisors and would report its effect to the Commissioners when adopted.

* * *

(2) Paperwork Reduction

Mr. Heath said the mailing of Commission Calendars had been reduced by 60 percent and the Minutes by 80 percent. Other reductions were being studied.

Commissioner Kadish suggested more detail in the Minutes, but Commissioner Goosby said any Commissioner could refer to the tapes if there were questions, since all meetings are now recorded.

* * *

(3) Progress Report on the Implementation of FIRM

Mr. Heath said the Booz, Allen & Hamilton firm had completed their work except for the final report. The Arthur Anderson firm was behind schedule due to computer problems, but were proceeding in a satisfactory manner.

* * *

(4) Airport Defederalization

Mr. Heath said Senator Cannon was proposing a bill which would reduce the federal tax on airline tickets from eight cents to two cents and eliminate the larger airports from the ADAP program. Mr. Heath said he and Mr. Clifton Moore, Director at Los Angeles, had agreed SFIA and LAX did not have to be in the ADAP program, in which case the airports would be solely self-supporting with no tax monies utilized. If the Commissioners agreed, an appropriate resolution would be presented at the next meeting.

Commissioner Fleishell asked that that be done.

* * *

6. Agenda Items Involving Airport Policies or Major Operational Decisions (continued)

The following resolution was unanimously adopted:

(1) Interim Noise Policy

No. 79-0351	Resolution explaining why a new Interim Noise Policy cannot be immediately adopted and asking FAA for technical assistance.
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Commissioner Kadish requested that Congressman John Burton be copied on any material sent to the FAA.

Mr. Heath explained briefly the reasons why an Interim Noise Policy cannot be adopted because FAA Circular 36-3 was inaccurate.

Mrs. Anita Maraviglia, representing the Airport Impact Reduction Force, suggested that other noise reduction possibilities be considered, in the event the information from the FAA cannot be straightened out, and mentioned the night time restrictions, such as instituted at Boston.

Commissioner Fleishell asked that the Joint Powers Board also be copied on all correspondence so the public will understand why action hasn't been taken.

Mr. Gil Zimmerman, Mayor of Foster City, told of how that City's Noise Abatement Committee had increased to give greater voice to their concerns. He asked that Congressman Bill Royer and Louis Papan be contacted.

* * *

The following resolution was taken off calendar:

- (2) Rental Credit Agreement with Host International for Expanded Facilities in Rotunda A.

Resolution approving in concept the expansion of the Host International food and beverage facility in Rotunda A.

* * *

The following resolutions were unanimously approved as amended:

- (3) Award of Concession Leases, North Terminal Building

Nos. 79-0352, 79-0353, 79-0354, 79-0355	Resolution awarding to the highest responsible bidder the following concessions in the North Terminal: Candy, Crab Kiosk, Jewelry and Sunglass Kiosk.
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Mr. Heath said that of the seven concessions that were put out to bid, there were responses regarding five. Staff had been instructed to contact the people who had expressed interest in the Passenger Service and the Wine & Cheese Shop, in an attempt to determine why no bids had been received. The specifications would be reviewed, restructured if necessary, in order to attract bidders.

Commissioner Goosby asked how many more concessions would be bid.

Mr. Peter Singer, Deputy Director for Business & Finance, said there would be five, plus the two mentioned, a total of seven.

Commissioner Goosby asked about the goal of three minority and women-owned firms to see why they had not submitted bids; however, under the Charter, concessions must go out to bid and the award made to the highest responsible bidder.

Mr. Leon Berger, attorney for the Airport Florist, the second highest bidder for the North Terminal Flower Shop, said that this award was almost given and there had been no investigation of the Paradies Company, the potential highest bidder. Mr. Berger said, in his opinion, Paradies did not qualify on the face of the document, due to lack of qualified experience.

Mr. Heath said he felt there was an obligation to thoroughly investigate Paradies, to see if that company was qualified since its bid was so much higher. He said that this courtesy would be extended to any potentially successful bidder.

* * *

The following resolution was unanimously adopted as amended:

- (5) Approval of Preliminary Plans, Boarding Area "D" Portion of Contract No. 1200, Central Terminal Modernization.

No. 79-0356

Resolution approving the preliminary plans dated September 4, 1979, submitted by Gensler and Associates for the Boarding Area "D" portion of Contract No. 1200, Central Terminal Modernization.

Commissioner Coblentz asked if it would be realistic to approve the entire resolution in light of the litigation under way.

Mr. Heath said a decision must be made no later than the October 16 meeting on the basic question of going ahead with the modernization or holding things up, in view of the possible lack of money. However, it was necessary that the preliminary plans be reviewed so Gensler & Associates could be paid for work done.

Commissioner Kadish said the item contained two items: first, approval of the preliminary plans; and secondly, the construction drawings. It was decided that only the preliminary plans would be considered.

Mr. Jan Blais, Chairman of the Airlines Policy Committee, asked for the estimated cost of delaying action several weeks and said the airlines would strongly resist any deferment of a previously approved program.

Mr. Arthur Gensler presented the plans and said that this project was part of a package and the delay would affect a total of \$35 million in construction and at a monthly inflation rate of 1.7 percent, the cost would be escalated \$650,000 monthly.

Mr. Heath briefly explained that due to litigation there could be a shortage of funds for operating expenses, especially if disaster occurred and the Airport was restrained by injunction from raising landing fees above the July 1, 1978 level.

* * *

The following resolution was unanimously adopted as amended:

- (6) Amendment to Section 1.4.5 of Airport Rules and Regulations for Ground Transportation Services.

No. 79-0357

Resolution approving an amendment to Section 1.4.5 of the Airport Rules and Regulations for Ground Transportation Services as outlined in memorandum dated August 27, 1979 which was approved by Airports Commission Resolution 79-0318 dated September 4, 1979, as amended.

Commissioner Kadish said she had requested certain corrections at the June 12, 1979 meeting which had not been made.

Mr. Garibaldi noted the desired corrections and said a section with the proper wording would be added.

Commissioner Bernstein asked the status of Park 'N Fly and Anza and if they had agreed to pay retroactive charges.

Mr. Garibaldi explained they could not be forced to pay a percentage of their gross revenues as they have no agreement with the Airport, but they can be forced to pay a charge for coming onto the Airport, pursuant to this amendment to Section 1.4.5.

* * *

The following resolution was adopted: 3 ayes (Kadish, Goosby, Fleishell), to 1 nay (Bernstein):

- (7) Completion and Final Modification of Airport Contract 650C, Completion of North Terminal Building, Modification No. 42 (Debit), \$231,980.66.

No. 79-0358

Resolution accepting the work under Airport Contract No. 650C, Completion of North Terminal Building, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 42 in the amount of \$231,980.66; extending the completion date from November 19, 1978 to April 22, 1979; and approving final payment in the amount of \$306,855.66 in favor of the contractor, P. P. Lathrop Construction Company.

Mr. Heath said this was the third time this item had been presented to the Commission, and the subcontractor was waiting to be paid, and he again recommended its adoption.

Commissioner Fleishell said he understood that the Airport could not sue the subcontractor as it was not written into the contract. He suggested that the staff ensure that all contracts contain a direct line of action against any subcontractor in the future.

Mr. Garibaldi assured him that this could be done and was a course of action.

* * *

The following resolution was unanimously adopted:

- (8) Travel Budget Allocation and Travel Plan Approval.

No. 79-0359

Resolution approving the travel budget for FY 1979-80 and certain out-of-state travel plans by staff members.

Mr. Heath said the assumption was that Commissioners need not obtain permission to travel.

Commissioner Bernstein questioned the possible trips to Seattle and Denver to see the concessions there.

Mr. Heath explained that those airports had the largest concession programs.

* * *

7. Items Initiated by Commissioners.

(1) Garage Contract

Commissioner Goosby asked if the two items on the parking garage would be before the meeting on October 16.

Mr. Heath said he hoped so, but there had been a delay in obtaining qualified personnel for the Business & Finance office, due to Civil Service procedures. Also, five people, four of whom were minorities, had been lost in the process. However, an agreement had been signed with Civil Service which would permit the Airport to have a decentralized personnel office which should expedite the hiring of personnel.

Commissioner Goosby said he hoped the planned pre-bid conference would be held for potential garage bidders, in order to avoid any minor technical defects.

* * *

8. Consent Calendar of Routine Administrative Matters

The following resolutions were unanimously adopted:

- (1) Completion of Airport Contract No. 1191, Exit Stairway, North Terminal, Gate 69.

No. 79-0360

Resolution accepting the work under Airport Contract No. 1191, Exit Stairway - North Terminal, Gate 68, as satisfactorily completed; extending the completion date from June 9, 1979 to July 27, 1979; assessing liquidated damages in the amount of \$400.00; and approving final payment in the amount of \$464.56 in favor of the contractor, Hodgson Construction Company, Inc., 2815 Fair Oaks Avenue, Redwood City, CA 94063.

-continued-

- (2) Modification No. 1 and Completion of Airport Contract No. 1255, Emergency Sewer Repairs at Pump Station No. 7, \$17,231.83.

No. 79-0361 Resolution accepting the work under Airport Contract No. 1255, Emergency Sewer Repairs at Pump Station No. 7, as satisfactorily completed; approving and requesting the Controller's certification of Credit Modification No. 1 in the amount of \$17,768.17; and approving final payment in the amount of \$17,231.83 in favor of the contractor M.G.M. Construction Company, P.O. Box 5757, Concord, California 94524.

- (3) Resolution Approving Modification of Lease Between Pan American World Airways, Inc., Lessee, and The City and County of San Francisco, Lessor, - Reduction in Area of Leasehold Premises and Granting of Rental Credit.

No. 79-0362 Pan American World Airways, Inc., Lessee, of certain space in the South Terminal Building, at the request of the City, surrendered certain leasehold areas and substituted therefor space containing 320 square feet less area. The substituted area was subsequently surrendered.

- (4) Tenant Improvement: Shell Oil Company, Relocate Aviation Fuel Line Facilities in Boarding Area A Project Area.

No. 79-0363 Resolution approving the final plans and specifications submitted by Shell Oil Company showing the relocation of aviation fuel pipeline facilities to accommodate the westerly addition to the South Terminal and Boarding Area A Connector. The work will be done by Shell Oil Company at its own and sole expense and without rental credit. The estimated cost is \$30,000.00.

- (5) Retirement Resolution

No. 79-0364 Resolution recognizing Ms. Vivian Malcolm's service to the Airport.

* * *

9. Consent Calendar on Contract Modifications.

The following resolution was adopted: 3 ayes (Kadish, Goosby, Fleishell) to 1 nay (Bernstein):

- (1) Modification No. 70, Airport Contract No. 1000 (Debit),
Garage: Stage IV - Superstructure Addition, \$24,102.00.

No. 79-0365

Resolution approving and requesting the Controller's certification of Debit Modification No. 70 to Airport Contract No. 1000, in the total debit amount of \$24,102.00. The contractor for this project is Robert E. McKee, Inc.

Commissioner Fleishell asked if approval of this item would affect the pending enormous claim by the subcontractor.

Mr. Garibaldi said that all claims are being evaluated by Mr. Soffer, the Airport's consultant. Mr. Soffer had indicated that this item should be approved because, basically, it contained items that the staff had asked the contractor to do in addition to what was contained in the original contract.

* * *

10. Communications

- (1) Resolution from San Mateo Fair Association.

There was no discussion of this item.

* * *

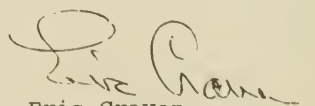
11. Trailing Calendar of Old Business

There was no discussion of this item.

* * *

12. Adjournment of Meeting to go into Executive Session.

There being no further business before the Commission, the public meeting adjourned at 5:05 p.m., to go into Executive Session.


Eric Craven
Commission Secretary

Secretary's Announcement of Actions Taken by the Airports Commission in Executive Session on September 18, 1979.

Read to the Airports Commission Meeting on October 2, 1979.

IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54957.1 OF THE BROWN ACT, I AM REPORTING ON THE ACTION TAKEN BY THE AIRPORTS COMMISSION IN EXECUTIVE SESSION ON SEPTEMBER 18, 1979. THE ACTION AND ROLL CALL OF THE VOTES THEREON WERE AS FOLLOWS:

RESOLUTION AUTHORIZING THE DIRECTOR TO EXECUTE AN AGREEMENT TO WAIVE THE STATUTE OF LIMITATIONS REGARDING CONTRACT No. 569 FOR THE AIRPORT MAINTENANCE FACILITY, WAS ADOPTED BY A UNANIMOUS VOTE OF COMMISSIONERS BERNSTEIN, KADISH, GOOSBY AND FLEISHELL.

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

Tuesday, October 16, 1979

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

WILLIAM K. COBLENTZ

Vice-President

RUTH S. KADISH

DR. Z.L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

Tuesday, October 16, 1979

Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m., in Room 282, City Hall, San Francisco, California.

* * *

Roll Call:

Present: Commissioners Morris Bernstein,
William K. Coblentz, Ruth S. Kadish,
Z. L. Goosby, J. Edward Fleishell.

Absent: None

* * *

Pledge of Allegiance: Led by Commissioner Fleishell.

* * *

Approval of Minutes:

The following resolution was unanimously adopted:

No. 79-0366 Resolution adopting Minutes of the
Airports Commission meetings of
July 26, 1979 and October 2, 1979.

* * *

5. Director's Reports

- (1) Chamber Music Performed by Twin Pines Ensemble in North Terminal Hub Area - Messages of Appreciation.

Mr. Richard Heath, Director of Airports, said that the chamber music has been receiving favorable public attention so staff will be working on ways to continue in the future.

Commissioner Kadish said she had received a letter of appreciation.

- (2) Implementation of FIRM

Mr. Heath said that although this was not on the Calendar, he wished to report that there are difficulties with the computer operation at PUC, but that staff is working to reach a solution. He told the Commission that staff may be coming to them with a proposal to use a private data center sometime in the future.

* * *

6. Items Initiated by Commissioners.

No items were brought up under this section.

* * *

7. Agenda Items Involving Airport Policies or Major Operational Decisions.

The following resolution was adopted as amended, 4 ayes (Bernstein, Kadish, Goosby, Fleishell) to 1 nay (Coblentz):

- (5) Medical Clinic Contract

No. 79-0367

Resolution rescinding the action taken at the October 2, 1979 Commission meeting and approving a sufficient subsidy to enable the Medical Clinic to continue to provide 24-hour service.

Mr. Heath explained that at the last Commission meeting the Commission voted to provide a \$40,000 subsidy to the Airport Medical Clinic. He said he had received a letter from the Clinic indicating that they could not operate on a 24-hour basis with a \$40,000 subsidy. He said there are three other proposals before the Commission for consideration, but that it was his recommendation that the subsidy be increased to the \$75,000 level.

Commissioner Goosby said that in view of the reconsideration of this item and the response, he would suggest that the Director be instructed to begin the necessary procedures to put this service out to bid in 1980, in order that the Commission might get reaction from the Commission, staff and the city. He said as staff developed the bid package it would allow the staff and Commission to establish in their own minds what they want from a medical facility.

Commissioner Kadish interjected that those specifications be ready by March of the coming year so that the Commission would have adequate time to look them over.

Mr. Jan Blais, spokesperson for the Airlines Policy Committee, said that he wanted to reaffirm the position of the Airlines Policy Committee that the Medical Clinic continue in an unimpeded manner. He said that as a matter of public policy, the Commission should be impressed by the work of the Clinic and that this should be taken into account.

Commissioner Bernstein said that the suggested changes would not necessarily mean that the current operators would have only one year, but it would give everyone some breathing room in which to work out some specifications.

Commissioner Kadish said she wanted to make it very clear that there has never been any indication on the part of the Commission to question the value of the service.

Mr. Blais asked if the Commission was going to be able to meet the needs of the Clinic. He added that he would prefer spending the few extra dollars and be assured of an adequate clinic.

Commissioner Bernstein asked Dr. Smookler if he wished to speak and Dr. Smookler said that Donald Casper, attorney for the Clinic would address the Commission.

Mr. Casper said that it was his understanding that the medical contract could not be put out to bid before 1983 under the terms of the original agreement. He said that in the Medical Clinic counter-offer they mentioned that the permit agreement should be modified so that it would allow the clinic to close on 6 main holidays; also that if the counter-offers were not accepted, the Clinic would have to cease evening and graveyard operations.

Commissioner Goosby said that the Resolution addresses itself to the holidays and that by passing the resolution, the Commission would, in effect, approve the holidays.

Mr. Heath said that that was in his recommendation.

Commissioner Goosby added that there was no intention of this being punitive in nature but was a way of clearing the air.

Commissioner Coblentz moved a substitution that the subsidy be for \$80,000 for one year, which was seconded by Commissioner Bernstein.

Commissioner Fleishell opposed the amendment, saying that the matter should go out to bid. This should not be treated differently from other contracts at the Airport.

A vote was taken on the amendment; it failed, 2 ayes (Coblentz, Bernstein) to 3 nays (Kadish, Goosby, Fleishell).

Discussion returned to the original resolution with Commissioner Goosby's amendment. Commissioner Goosby said he would not object to increasing the subsidy to \$80,000.

Commissioner Coblentz said he would like the amount increased to \$80,000 but would vote against the motion anyway.

Mr. Heath said that he is assuming that the amendment would be subject to legal interpretation.

* * *

The following resolution was unanimously adopted:

(1) Operating Agreement for Public Automobile Parking Facilities at San Francisco International Airport.

- | | |
|-------------|---|
| No. 79-0368 | 1. Bidder Pre-Qualification
2. Approval of Agreement Form
3. Invitation for Bids. |
|-------------|---|

Mr. Heath said that the first step in the bid process for the parking facility had been completed. He said the staff had solicited for organizations to meet the pre-bid qualifications and eleven organizations responded; two organizations did not fulfill the minimum requirements and the other nine all met the qualifications and would be invited to bid. He said he would recommend that the Commission approve these nine bidders and go out to bid.

Commissioner Kadish asked how many of these bidders were local groups.

Mr. Emmett Smith, Acting Deputy Director for Business and Finance, named the following firms: American Building Maintenance, Bay Parking, St. Mary's Square Garages, System Auto Park, Metropolitan, and Airport Parking Management were all local.

Mr. Heath said that, additionally, Synpark was in a joint venture and it was a San Francisco firm. He said that the bidders are almost all San Francisco firms.

Commissioner Goosby asked if the Director planned to have a pre-bid conference.

Mr. Heath answered that staff was planning to ask the nine approved bidders to a meeting so that they could ask questions about any matter they might like to have cleared up.

Commissioner Goosby asked if the Resolution approves the Operating Agreement as well as the Notice and Invitations to B Bidders.

Mr. Heath said that it did.

* * *

The following resolutions were unanimously adopted:

(6) SFO Airporter, Inc. Operating Agreement

- | | |
|-------------|--|
| No. 79-0369 | Resolution modifying amendment to the SFO Airporter, Inc. Operating Agreement. |
|-------------|--|

(7) Agreement Between The Airport and Carrier Corporation.

No. 79-0370

An agreement between the Carrier Corporation and the City and County of San Francisco to provide for the expert professional services to inspect, service and maintain the Airport's refrigeration and air conditioning machinery in the new Central Plant facility.

Regarding Item (6), Commissioner Goosby asked what had been modified from the original agreement.

Mr. Heath said that it was the Airport's intention when this agreement is rebid that the new bidder will have to pick up the liabilities of Airporter for its new terminal building. He said that this resolution was just putting that into the agreement.

Commissioner Goosby asked if the purpose of re-opening this item was to finally nail it down. He asked for a clear explanation of the meaning that the next bidder must 'assume the liabilities'. He asked if that phrase means that a new operator has to buy the buses.

Mr. Heath explained that this resolution concerned only terminal facilities. It was not to pick up Airporter's notes, loans, major payments, etc., except on the construction loan.

Commissioner Fleishell said that the Commission would be requiring that any future bidder assume obligations. He asked if the loan document itself had been looked at.

Mr. Heath said that he had not. He asked if there was any reason why the Commission could not put off consideration until the loan documents had been looked at.

Mr. Don Garibaldi, Airports General Counsel, said that he understood that Mr. Leonoudakis had some concerns.

Commissioner Kadish asked if we are in a position to obligate a third party.

Mr. Leonoudakis said he was negotiating with the bank and the security for the loan would be a lease agreement. He said that since he started trying to negotiate the loan, interest rates had gone up three points. He said that all he was asking for was that any successor to Airporter should pick up the balance of the loan.

Commissioner Fleishell said that, nonetheless, there should be some clarification on what we are asking any successor to assume.

Commissioner Coblentz suggested that Mr. Leonoudakis attach to his agreement his promisory note, the deed of trust and a copy of all restrictions imposed upon him by the Airports Commission.

* * *

Consent Calendar of Routine Administrative Matters.

The following resolutions were unanimously adopted:

- (1) Award of Contract No. 1096R, Emergency Communication System for Elevators.

No. 79-0371

Resolution awarding Airport Contract No. 1096R, Emergency Communication System for Elevators, to Collins Electric Company of San Francisco, 1615 Cortland Avenue, San Francisco, California 94110, in the total amount of \$113,620.00.

- (2) Bid Call - Contract No. 1256A, Island Extension at Upper Roadway, North Terminal.

No. 79-0372

Resolution approving the final plans and specifications for bid call for Contract No. 1256A, Island Extension at Upper Roadway, North Terminal.

- (3) Airport Development and Aid Program (ADAP-10), Acceptance of Federal Grant Offer in the amount of \$3,244,912 for Project No. 6-06-0221-10.

No. 79-0373

Resolution ratifying authorization given the Director of Airports to accept the Federal grant offer in the amount of \$3,244,912 under ADAP-10 Project No. 6-06-0221-10, consisting of the following projects:

1. Runway & Taxiway Shoulder Drop-Off
Releveling & Blast Shoulder Ext.
2. Reconstruction Airfield Perimeter
Dike.
3. Concrete pads - Pier F
4. Apron Overlay Between Piers E & F
5. New Firehouse
6. New Field Lighting Building
7. Taxiway Centerline Lighting
8. Reconstruction & Overlay South
End T/W 'B'.

- (5) Tenant Improvement: Chevron, U.S.A., Relocation of Aviation Fuel Line Facilities at Boarding Area A, \$170,000.00.

No. 79-0374

Resolution approving final plans and specifications submitted by Chevron, U.S.A. showing relocation of aviation fuel line facilities in the vicinity of Pier G required to permit the construction of the westerly addition to the South Terminal and the Boarding Area A Connector.

3. Consent Calendar (continued)

- (6) Tenant Improvement: Pacific Southwest Airlines, Space Modification in Hangar at Plot 10B, \$80,000.

No. 79-0375 Resolution approving final plans and specifications submitted by Pacific Southwest Airlines showing modifications within their hangar at Plot 10B to provide additional storage space for aircraft parts.

- (7) Tenant Improvement: Braniff International, South Terminal, Replace Aircraft Loading Bridge, \$25,000.

No. 79-0376 Resolution approving the final plans and specifications submitted by Braniff International showing the replacement of the existing aircraft loading bridge at Gate 8, Pier G, with a new loading bridge.

- (8) Retirement Resolution

No. 79-0377 Resolution in recognition of the service of Custodian Edward K. Lum on the occasion of his retirement.

* * *

- (4) Aspen Airways

Recommendation for acceptance of Landing Fees Agreement and approval of operations.

Commissioner Fleishell said that regarding the Aspen Airlines, item, some airlines lease gross space from the Airport then sublease it at a substantial profit. He said he would like the Commission to know whether the airline leasing of the space is earning a profit on space it does not own. He said that it is important that airlines do not profit by subleasing space.

Commissioner Coblentz suggested that that item be deleted from the Calendar.

Mr. George Agnost, City Attorney, said that if we are going to allow Aspen to come in, the Airport should get an agreement from them that they will not become a party to the Airlines' suit against the City.

Commissioner Fleishell said that the City Attorney's idea may remove prior rights, but it should certainly be looked at.

Mr. Heath said that the Airport should look at it.

* * *

9. Consent Calendar on Contract Modifications

The following resolutions were approved, 4 ayes (Coblentz, Kadish, Goosby, Fleishell) to 1 nay (Bernstein):

- (1) Modification No. 1 (Debit), Airport Contract No. 936, Industrial Waste Treatment Plant, \$14,000.

No. 79-03781

Resolution approving and ratifying the action of the Director of Airports in approving Change Order Nos. 936-1, 936-2, and 936-3 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 1 in the amount of \$14,000. The contractor for this work is the Piombo Corporation.

- (2) Modification No. 71 (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$23,537.00.

No. 79-0374

Resolution approving and requesting the Controller's certification of Debit Modification No. 71 to Airport Contract No. 1000, in the total debit amount of \$23,537.00.

* * *

7. Agenda Items Involving Airport Policies or Major Operational Decisions (continued)

The following items were discussed, but no action immediately taken (see 7(4), below, p. 11):

- (2) Modernization and Replacement Program.

Effect of airlines' lawsuit on Modernization and Replacement Program and a decision as to what, if any, projects should move forward.

TO BE CONSIDERED IN EXECUTIVE SESSION.

- (3) Bid Call - South Terminal West Addition and Modification, Bid Package No. 1.

Resolution approving final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1010, South Terminal West Addition and Modification - Bid Package No. 1.

- (4) Authorization to Proceed with Construction Documents, Boarding Area "D" Portion of Contract No. 1200, Central Terminal Modernization.

Resolution authorizing Gensler and Associates to proceed with the construction document phase for the Boarding Area "D" portion of Contract No. 1200, Central Terminal Modernization.

Mr. Heath made a few comments on the history of the bond sale and discussions with the airlines. He noted that after the sale of the bonds, there was about a 27 to 30 million dollar shortfall in funds available for completing two major projects, the Central Terminal work and the South Terminal. This left the Airport in the position of having to decide which project to fund if the Airport would be barred from raising additional monies from the landing fees, an effect that would result if the Airlines' suit was successful.

Jan Blais, representing the Airlines Policy Committee spoke, reading from his prepared statement, which is attached and included by reference.

Commissioner Fleishell questioned Mr. Blais very closely about the airlines support for the Cannon Bill. He noted that the Cannon Bill would stop ADAP funding for San Francisco Airport and Mr. Blais was saying that the Airport should hurry up and get the construction projects completed before ADAP funding was stopped. Commissioner Fleishell said that Mr. Blais was appearing to take advantage of a situation which the Bill he advocated would bring about.

Mr. Blais said that he was not lobbying for it to cause the Airport trouble.

Commissioner Fleishell said that he was unclear as to how Mr. Blais suggested the Airport raise the needed \$30 million to complete the Modernization and Replacement Program.

Mr. Blais said that he suggested the Airport raise the money by means of a bond issue.

Commissioner Coblentz said that any bond issue would surely be defeated.

Commissioner Kadish said that the Commission had repeatedly told the Airlines that a bond issue could not be passed, and she thought that the Airlines seem to refuse to accept the Commissioner's assessment.

Mr. Blais said that he thought he and the Commission might differ on that point.

Mr. Jamison of American Airlines began to speak, but Commissioner Fleishell said that before Mr. Jamison started to speak, he wanted to make the history of discussions with the Airlines absolutely clear.

Commissioner Fleishell said that the Airport had been dealing with the airlines and trying to work out an acceptable solution when the airlines suddenly sued the Airport.

Mr. Jamison addressed the Commission and said that perhaps the Airport's Contingency Reserve Fund could be used. He said the airlines felt they had to serve San Francisco and he felt some small group of people from the City and the airlines could work out an agreement.

Mr. Argue of Continental Airlines addressed the Commission, saying that Continental had never had permanent facilities and really needed them to be competitive with other airlines. As it was, they were shifted from place to place and they had never had their own gate position.

Commissioner Kadish asked if the whole question of gate allocation was being studied.

Mr. Heath said that it was.

Ms. Susan Smith of San Francisco Tomorrow addressed the Commission. Her statement is attached and included by reference.

A TRANSCRIPT OF THE PRECEDING PORTION OF THE MEETING IS AVAILABLE FROM THE COMMISSION SECRETARY'S OFFICE.

* * *

10. Items Removed from Consent Calendar.

No items were removed from the Consent Calendar.

* * *

11. Communications

No communications were discussed.

* * *

12. Trailing Calendar of Old Business

There was no discussion of any Trailing Calendar items.

* * *

13. Adjournment of Meeting to go into Executive Session.

There being no further business before the Commission,
it was adjourned to go into Executive Session at 4:15 PM.

* * *

14. Executive Session.

The Commission emerged from Executive Session and a vote
was taken on the following item:

7. Agenda Items Involving Airport Policies on Major Operational
Decisions.

The following resolution was unanimously adopted:

- (4) Authorization to Proceed with Construction Documents,
Boarding Area "D" Portion of Contract No. 1200, Central
Terminal Modernization.

No. 79-0380

Resolution authorizing Gensler
and Associates to proceed with the
construction document phase for the
Boarding Area "D" portion of
Contract No. 1200, Central Terminal
Modernization.

The construction budget for Board-
ing Area "D" is \$13,700,000. The
estimated construction cost of the
preliminary design stage is
\$13,393,000.

The amount requested for certifica-
tion for the construction document
phase for Boarding Area "D" is
\$321,950.00.

Commissioner Fleishell said that he had one question to ask
the airlines: how did the airlines expect the Airport to
complete the construction of the projects if the Airlines'
suit is successful.

* * *

There being no further business before the Commission, the
meeting adjourned at 5:04 PM.



Eric Craven
Commission Secretary

SAN FRANCISCO AIRLINES POLICY COMMITTEE

San Francisco International Airport

San Francisco, CA 94128

October 15, 1979

HAND DELIVERED

San Francisco Airports Commission
San Francisco Int'l Airport
San Francisco, CA 94128

Gentlemen:

This statement is in response to the request to identify the problems that would be created by your stopping the Modernization and Replacement Program as proposed in Director Heath's September 24, 1979 memorandum. In addition to this statement, American Airlines has already communicated its position to Director Heath by letter dated October 3, 1979, and will be making a presentation tomorrow, and Continental Airlines has written a letter dated October 9, 1979.

Carriers that have long been operating in facilities that are inadequate have been repeatedly promised this Commission's commitment to the improvement of facilities since the early 70's. These promises have been made, among other occasions, in connection with the carriers' entering into long-term landing fees agreements and in connection with the City's authorization of the Master Bond Resolution and supplemental resolutions and official statements upon issuance of Series A and Series B of the Airport Revenue Bonds. These carriers have all relied upon these promises in their individual plans for service at San Francisco International Airport. Any stoppage would deny these carriers the promised improvements, and would frustrate the initiation and completion of the final phase of the Modernization and Replacement Program to their great economic injury.

Delay in bringing newer and upgraded facilities on line would perpetuate a less efficient use of space than would otherwise be the case, and further reduce the ability to physically accommodate new carriers at the airport or accommodate those wishing to expand their existing facilities. This would contradict the Airport's stated policy of cooperating with Federal policies encouraging free airport entry.

Stopping work on the South Terminal-West Addition would perpetuate the unacceptable Customs situation about which City officials, including the Mayor, and the Commission itself, have been publicly critical, and have vowed to improve. In fact, the treatment of arriving international passengers would become worse as foreign traffic into this airport increases. The Federal Aviation Administration also has serious concern about any delay to the Control Tower project, indicating their position that the construction program should continue on schedule to provide needed replacement for the present tower.

As to the financial aspects of delay, delaying this program would cause further increases due to inflation, and due to loss of efficiency in disbanding then regrouping employees and independent contractors now positioned to proceed with the program. At the Commission's October 2nd meeting, the architectural consultant and the airport staff estimated the cost of inflationary delay on the Central Terminal projects as \$650,000 per month. Director Heath had earlier estimated the costs of delay at almost \$1 million per month due to cost escalation (ref. his January 26, 1979 letter to me). We have made independent estimates of this cost, based on \$86.3 million in projects which would be adversely affected by delay:

A delay from October 1979 to July 1980 at 1.5%/month escalation, would cost \$12.33 million; at 1.7%/month it would cost \$15.8 million.

A delay from October 1979 to January 1981 at 1.5%/month would cost \$21.4 million; at 1.7%/month it would cost \$26.6 million.

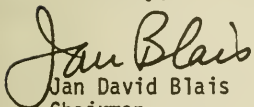
A delay from October 1979 to July 1981 at 1.5%/month would cost \$32.43 million; at 1.7%/month it would cost \$38.6 million.

The range of 1.5% to 1.7% is a fair estimate of the high and low cost increases that may be expected in the forecast period. The total of \$86.3 million is formed by adding to the \$82 million figure provided by the Airport, \$4.38 million worth of necessary, approved projects omitted by the Airport. These \$4.38 million in projects are termed "deductive alternates" by the Airport - meaning they would not be built if the project otherwise runs over budget. However, these projects are required for airline operational purposes. They include for example, 5,000 SF of airline operations space; four baggage claim carousels; a baggage elevator; an elevator for the handicapped; a moving walkway; and four concession spaces.

Furthermore, substantial Federal ADAP funds to which the Airport is entitled, would be jeopardized by delay, especially if the ADAP law is permitted to expire as the Cannon Bill proposes.

In conclusion, I state the position of the Airlines Policy Committee as in opposition to any delay in the M & R Program. We urge you to proceed with the program on schedule and, moreover, to cooperate with the airlines in obtaining the funds needed to complete the final phase of the program whether through SFAIC bonds or another acceptable method of long-term financing.

Sincerely,



Jan David Blais
Chairman
San Francisco Airlines Policy Committee

JDB/jan

cc: Richard R. Heath, Director of Airports
San Francisco Airlines Policy Committee

October 16, 1977

For: S.F. Airports Commission

By: Sue Smith

Re: Item #2 - Airline Lawsuit vs. airport expansion projects.

I would like to comment on the lawsuit and the expansion projects from the vantage point of studies which began in 1972 with the Regional Airport Plan.

Since 1972 it has been said that we have a Plan, but in fact we are still building the airlines' system.

At the conclusion of the airport expansion, the Airline Lawsuit would assure that there are no economic benefits to the City. All airport traffic would be concentrated at SFIA; millions of passengers and cars from East Bay and North Bay would continue to clog and congest neighborhoods and freeways through S.F.

Continued expansion of terminal facilities at SFIA benefits the airlines enormously, it does not benefit air passengers, it does not benefit S.F. neighborhoods, it is of no economic benefit to the City if the Airline Lawsuit succeeds or if there is a decline in air travel at SFIA.

In 1968, the voters approved \$98 million of G.O. bonds to complete the airport expansion at 20 Million Annual Passengers according to the Voter's Handbook. Other Bay Area airports were to handle the excess.

In 1975, \$146 Million of Airport Revenue Bonds were approved by the Board without requiring voter approval. In mid 1976 3 public hearings were held by the Board's Select Committee after which the Board adopted a Resolution terminating the airport expansion - again.

In 1977, \$90 million of Airport Revenue Bonds were approved by a bare majority of the voters who were repeatedly promised 'no expansion' and 'economic benefits'.

There has never been any confusion in anyone else's mind about what expansion meant. In 1968 it was described as no more than 20 MAP, in 1976 as 24 MAP.

When the FAA adopted the EIS in April 1977, their approval was limited to 24 MAP because of the air and noise pollution at SFIA. Both the Bechtel design and Peat, Marwick 1976 report describe the completion of the North Terminal as 24 MAP. Both firms, describe the Airport as complete at this level should circumstances not warrant further expansion.

Recall for a moment - in more than 2 years the Airports Commission has not been provided a single environmental assessment for any project. The Commission cannot know the individual impacts of the big terminal projects speeded by them. Each will use energy wisely or badly; each will affect carbon monoxide levels. No public agency or private business admits in advance adverse impacts. For that reason independent firms conduct environmental reviews for S.F. City Planning. There are five \$11 million to \$37 million projects in progress, not one has environmental review.

Even architects who dislike CEQA assert that there is no better review process - no other way to improve consent on a project.

Public interest groups have sued in the past and can sue in the future over the environmental conditions at SFIA. Now the airlines have gone to court to prevent any long term economic benefits to the City.

No agency responsible for air and noise standards has said that SFIA can successfully operate at levels above 24 MAP.

Do the airlines assume that SFIA will operate at 31 MAP in order to pay off these big new terminal projects?

Expanding SFIA beyond 24 MAP is a tremendous risk, it violates compacts with voters and the Board through three bond elections.

Surely the Airport Commission will refuse to build new terminals for the airlines for as long as the airlines refuse past and future contributions to the General Fund. For any leverage the airlines must be treated as a bloc - that some airlines are not in the lawsuit is of no importance to our interests. Equally the impacts of operating beyond 24 MAP must be assessed against new pollution information and the Airport Land Use Plan.

The concept that the biggest airport is best is plainly wrong. What economic benefits?

~~XXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

Tuesday, November 6, 1979

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

WILLIAM K. COBLENTZ

Vice-President

RUTH S. KADISH

DR. Z.L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
November 6, 1979

1. Executive Session

2. Call to Order:

The regular meeting of the Airports Commission was called to order at 2:50 p.m., in Room 282, City Hall, San Francisco, California.

* * *

3. Roll Call:

Present:	Commissioners Morris Bernstein,* William K. Coblentz, Ruth S. Kadish, Z. O. Goosby, J. Edward Fleishell.
Absent:	None.

* * *

4. Pledge of Allegiance: Led by Commissioner Goosby.

* * *

5. Approval of Minutes:

The following resolution was unanimously adopted, with certain typographical errors noted and corrected:

No. 79-0383	Resolution adopting Minutes of the Airports Commission meeting of October 16, 1979.
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* * *

*Commissioner Bernstein left the meeting at 4:00 p.m.

6. Report of Executive Session:

The following resolutions were unanimously approved by the aye vote of Commissioners Bernstein, Coblentz, Kadish, Goosby and Fleishell:

Resolution authorizing Director of Airports to enter into a contract with Morrison & Foerster to act as attorneys for all legal matters arising out of the airlines' suit, in an amount not to exceed \$100,000.00

Resolution authorizing Director of Airports to enter into a contract with Farella, Braun and Marten to act as attorneys in all legal matters arising out of the construction contracts for the Airport Parking Garage.

* * *

7. Director's Reports

(1) Report on Pre-Bid Conference with Garage Contractors

The Director of Airports reported on the conference, where it was decided to delay the bidding process until Local 665, completed its wage negotiations.

Mr. Frank Burt, Secretary-Treasurer of Local 665, expressed concern that traditional language was omitted and suggested it be inserted in the documents.

Mr. Heath said staff would come back with a recommendation at the next meeting.

* * *

(2) Policy on Airline Passenger Terminal Utilization

Mr. Heath presented his recommendations as outlined in the memorandum.

Mr. Dick Jamison, Director of Properties for American Airlines asked that the matter be delayed until at least December 4 and spoke regarding the difficulties the Policy Committee has with this problem.

Commissioner Coblentz asked the airlines to send the Commissioners copies of any recommendations and suggested delaying action until December 4 or 18th.

(4) Reduction in Paperwork for Construction Contract Approval.

Mr. Heath said he would present a policy and set of procedures at the next meeting.

Commissioner Kadish suggested changes in language, where noted, and said the question was the Commission's role in preliminary design and final plans and further asked that present and future items be listed in similar form.

Commissioner Goosby objected, saying the Commissioners should be aware they were delegating power in exchange for a speed-up.

Mr. Heath said there was no intent to remove the Commissioners from the procedures, the plan was to cut delays and costs.

* * *

(5) Implementation of FIRM Project.

Mr. Heath told of problems with the PUC computer and said Arthur Anderson had been asked for recommendations.

* * *

(6) Short-Term Increase in Landing Fees.

Mr. Heath explained the request was to handle costs of loading bridges.

Mr. Blais said the matter would be discussed at the Policy meeting, but was not in accordance with the Landing Fee Agreements.

Mr. Jim Chamberlin, Director of Properties for Delta Airlines, said the carriers agreed the bridges should be part of the M & R Program.

* * *

(7) Extending Landing Fees to Commercial Carriers with Equipment Under 10,000 Pounds.

Mr. Heath said he would come back with a request that landing fees be paid on these aircraft, since many were carrying passengers for a fee.

* * *

(8) Resolution Approving Operational Concept of Century Airlines.

Mr. Heath said Century had requested space to begin service on routes dropped by other carriers, and had been accommodated.

* * *

8. Items Initiated by Commissioners:

Commissioner Kadish asked that the lack of shelter in the Downtown Terminal be investigated.

Commissioner Coblentz asked if the news media could be asked to take pictures and Mr. Heath said he would make arrangements for a photographer.

Commissioner Goosby said the Commission should consider buying the operation.

* * *

9. Agenda Items Involving Airport Policies or Major Operational Decisions.

The following resolution was unanimously approved:

(1) Request for Approval of Feener and Turpen Trips to Washington.

No. 79-0384

Resolution approving trips of Arn Feener and Lou Turpen to Washington, D.C. for business reasons.

* * *

(2) Approval of Design Development Phase and Request Certification of Basic Service Fees - South Terminal and West Addition and Modification, Contract No. 1010, \$648,450.00.

No. 79-0385

Resolution approving the Design Development Phase and requesting Controller certification of basic service fees in the amount of \$648,340.00 for Airport Contract No. 1010 - South Terminal West Addition and Modification. Allows Anshen and Allen to proceed with the Construction Document Phase in accordance with the "phased construction" process, with the understanding there was no commitment to construct.

Mr. Heath said there were insufficient bond funds left to fund two major projects and it was necessary to decide which should be built, or if the program should be stopped. A decision should be made if Anshen & Allen is to be allowed to continue the drawings with the understanding there was no commitment to build.

Mr. Doug Holmes, Director of Properties, told of Pan American's concern about the South Terminal and connector and said the funding mechanism should be revenue bonds.

Commissioner Kadish suggested authorization of the design documents but inserting into the resolution an additional sentence specifying there was no commitment to construct.

* * *

The following resolution was unanimously approved

- (3) Professional Services Agreement with San Francisco International Airport Medical Group, Inc.

No. 79-0386

Resolution approving proposal by SFIA Medical Group, Inc. for renewal of Professional Services Agreement.

Mr. Preston Brady, from the audience, asked if it was true that the contract for the medical services would be turned over to the Department of Public Health, and was told that this was not true.

* * *

The following resolution was unanimously approved:

- (4) North Terminal Art Enrichment Program.

No. 79-0387

Resolution authorizing the award of and commission to the sculptor, Bruce Beasley, not to exceed \$136,000; and authorizing the purchase of four serigraphs from the artist, Ron Davis, for a price not to exceed \$8,000.00; and requesting the Controller to transfer funds for those items to the Special Holding Fund.

Commissioner Fleishell said it was bizarre that time was spent discussing the financial strain, yet there were Administrative Code requirements that money be spent for art, and suggested action be taken to amend the Code.

Commissioner Goosby suggested the City departments could join together to investigate possible curtailment of the Code.

Commissioners Coblentz and Kadish disagreed, saying art was a lasting thing for moral enrichment and that certain buildings needed art work.

* * *

The following resolution was taken off calendar:

- (5) Resolution Approving Lease Agreements, Covering the Following Concessions:

Newsstand and Bookshop, Central Terminal
Newsstand and Bookshop, South Terminal
Gift and Sundries Shop, Central Terminal
Gift and Sundries Shop, South Terminal

Mr. Heath said Human Rights Certification had not been received.

* * *

The following resolution was unanimously approved:

- (6) Agreement Between the City and County of San Francisco and W. Grayson Heath and Company for Professional Services.

No. 79-0388

Resolution approving employment of the professional services of an escalator/elevator consultant to determine necessary detailed repairs and to inspect the Airport's escalators and elevators for contract compliance.

* * *

The following resolution was unanimously approved:

- (7) Modification to Professional Services Agreement of Arthur Anderson & Co.

No. 79-0389

Resolution approving Modification No. 3 to the Professional Services Agreement of Arthur Anderson & Co., consisting of additional work for the evaluation of alternative electronic data processing services in the amount of \$17,000 revising the total contract amount to \$369,000.00.

* * *

The following resolution was unanimously approved:

- (8) Travelers Aid Society

No. 79-0390

Resolution approving letter of appreciation of the efforts of the Travelers Aid volunteers.

* * *

10. Consent Calendar of Routine Administrative Matters

The following items were unanimously approved:

- (1) Completion of Airport Contract No. 1182, North Cooling Tower Air Intake Louvers, Central Heating and Cooling Plant, Modification No. 1 (Credit), \$500.00.

No. 79-0391 Resolution accepting the work under Contract No. 1182, North Cooling Tower Air Intake Louvers, Central Heating and Cooling Plant as satisfactorily complete; approving and requesting the Controller's certification of Credit Modification No. 1 in the amount of \$500.00; extending the completion date from March 24, 1979 to September 28, 1979 and approving final payment in the amount of \$11,688.50 in favor of the contractor H. H. Robertson Company, 1485 Bayshore Blvd., Room 426, San Francisco, California 94124.

- (2) Bid Rejection, Contract No. 1246, Motorized Controls of Sunshades, North Terminal.

No. 79-0392 Resolution rejecting the bid received for Airport Contract No. 1246, Motorized Controls for Sunshades, North Terminal.

- (3) Award of Contract No. 1256B, Railing Cap Addition, Upper Roadway - North Terminal.

No. 79-0393 Resolution awarding Contract No. 1256B, Railing Cap Addition, Upper Roadway, North Terminal to Erbentraut and Summers, 696 Pennsylvania Avenue, San Francisco, CA 94107, in the amount of \$18,600.00.

- (4) United Airlines Maintenance Operations Center, Plot E, Employee Parking Lot, \$1,000,000.00.

No. 79-0394 Resolution approving the final plans and specifications submitted by United Airlines showing their new 1,470 space employee parking lot on Plot E at United's Maintenance Operations Center to replace a parking lot being vacated due to leasehold termination.

- (5) Tenant Improvement, Avid Rent-A-Car,
North Terminal Office, \$15,000.00.

No. 79-0395

Resolution approving final plans
and specifications submitted by
Avis Rent-A-Car System, Inc.,
showing their new office in the
North Terminal.

Commissioner Goosby questioned Item (4), and asked why a large
rental credit was being considered.

Mr. Heath said the work related to the parking lots and was
vital to the Airport.

Mr. Bob Lee, Deputy Director for Engineering, said the area was
almost to grade and a minimum amount of work would complete the
project, so the cost would be small.

* * *

11. Communications

No communications were presented.

* * *

12. Trailing Calendar of Old Business.

There was no discussion.

* * *

13. Adjournment of Meeting

There being no further business before the Commission, the
meeting adjourned at 4:50 p.m.

/s/ Warren Hanson
for: Eric Craven
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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Tuesday, November 20, 1979

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

WILLIAM K. COBLENTZ

Vice-President

RUTH S. KADISH

DR. Z.L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
November 20, 1979

1. Executive Session

2. Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m., in Room 282, City Hall, San Francisco, California, with Commissioner Ruth S. Kadish presiding.

* * *

3. Roll Call:

Present:	Commissioners Ruth S. Kadish, Z. L. Goosby, J. Edward Fleishell*.
Absent:	Commissioners Morris Bernstein, William K. Coblentz.

* * *

4. Pledge of Allegiance: Led by Commissioner Goosby.

* * *

5. Approval of Minutes:

The following resolution was unanimously approved:

No. 79-0396	Resolution adopting Minutes of the Airports Commission meeting of November 6, 1979.
-------------	---

* * *

Commissioner Fleishell left the meeting at 3:10 p.m.

Agenda Items Involving Airport Policies or Major Operational Decisions.

The following resolution was unanimously approved, as amended:

- (1) Supplemental Appropriation, \$1,519,500.00, Airport Operating Funds.

No. 79-0397

Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the total amount of \$1,519,500.

Commissioner Goosby voiced objections to the proposed appropriation for a public relations consultant for the organization of a Bureau of Community Affairs, saying the new Director of Community Affairs, when hired, should organize the department himself. Commissioner Fleishell agreed.

Commissioner Fleishell objected to the request for funds to print the Terminal Guide and Biennial Report, saying he had seen no copy for these documents.

Mr. William E. Ryan, Regional Director for State and Local Government Affairs for United Airlines, spoke to the items on Community Affairs and Noise Studies. Mr. Ryan said these matters would be dealt with in the Joint Land Use Study and should be delayed until the Study is completed.

Commissioner Kadish asked Mr. Ryan if UAL, unlike Continental and Delta, was not interested in the reduction of airport noise. Mr. Ryan asked that the record reflect that UAL had committed \$420,000,000 for quieter, new aircraft engines.

Mr. Jan D. Blais, Chairman of the Airlines Policy Committee, had previously sent to the members of the Commission a letter objecting to the supplemental appropriation of \$100,000 from Airport revenues to pay for special counsel fees. The letter is attached and incorporated into the minutes by reference.

The supplemental appropriation requested was approved, except the items funding the Bureau of Community Affairs, and printing the Terminal Guide and Biennial Report.

* * *

The following resolutions were unanimously approved:

- (2) Declaration of Emergency - Roof Leaks.

No. 79-0398

Resolution approving the immediate repair to the roofs of the South and Central Terminals to preclude further damage to the facilities.

(3) Emergency Concrete Repairs - Taxiway B.

No. 79-0399

Resolution approving immediate emergency repairs on Taxiway B, necessitated by pavement failure.

Commissioner Goosby asked Mr. Don Garibaldi, Airports General Counsel, what the maximum amount allowed under the Charter was, without a contract going to bid.

Mr. Garibaldi responded that the amount was \$10,000 or under, except for emergencies which could be declared by the President, who transmitted the information to the Controller for certification of funds. The action would then be ratified at the next meeting.

* * *

The following resolution was unanimously approved:

(4) Financial Liability and Security Responsibilities of Tenant.

No. 79-0400

Resolution holding Airport tenant financially responsible for acts of its commission or omission resulting in the Airport being fined by the Federal Aviation agency or any other agency.

Mr. Heath said this was occasioned by an incident in 1977, wherein the FAA fined the Airport for a breach of security by a tenant.

* * *

7. Consent Calendar of Routine Administrative Matters

The following resolutions were unanimously approved:

(1) Approval of Claims Settlements.

No. 79-0401

Resolution approving the action of the Director of Airports, with the approval of the City Attorney, in the settlement and compromise of claims during the months of July through October, 1979, in accordance with Airports Commission Resolution No. 74-0237.

(2) Award of Contract No. 1256A.

No. 79-0402

Resolution awarding Contract No. 1256A, Island Extension, Upper Roadway, North Terminal to Valentine Corporation, 111 Pelican Way, San Rafael, CA in the amount of \$11,888.00.

- (3) Modification No. 2 and Completion of Airport Contract No. 1183, Overlay and Reconstruction, Runway 10L-28R, Between Taxiways "E" and "N".

No. 79-0403

Resolution accepting the work under Airport Contract No. 1183, Overlay and Reconstruction, Runway 10L-28R, between Taxiways "E" and "N", as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 2 in the amount of \$99,150.40; extending the completion date from August 10, 1979 to October 24, 1979; and approving final payment in the amount of \$180,605.83 in favor of the contractor. Branaugh Excavating, Inc., 21483 Orange Avenue, Castro Valley, CA 94546.

- (4) Modification No. 2 and Completion of Professional Services Operations Manual for Central Heating and Cooling Plant.

No. 79-0404

Resolution accepting the work under Professional Services Agreement with Gayner Engineers, Inc., Controller's No. 70880, as satisfactorily completed; extending the completion date from December 15, 1978 to October 12, 1979; and approving and requesting the Controller's certification of Credit Modification No. 2 in the amount of \$8,048.43.

- (5) Tenant Improvement: Texaco - Relocate Aviation Fuel Facilities in Boarding Area A Project Area.

No. 79-0405

Resolution approving the final plans and specifications submitted by Texaco showing the abandonment of aviation fuel pipeline facilities around Pier G to accommodate the westerly addition to the South Terminal and Boarding Area A Connector. The abandoned lines will be filled with an inert material in accordance with Airport fire code requirements. The work will be done by Texaco at its own and sole expense and without rental credit. The estimated cost is \$50,000.00.

- (6) Hertz Corporation - Remodel Customer Check-In Building at Lot A, \$40,000.00.

No. 79-0406

Resolution approving the final plans and specifications submitted by the Hertz Corporation showing modifications to their customer check-in building at Lot A to improve operational efficiency and customer service. The work will be done by Hertz at their own and sole expense and without rental credit. The estimated cost is \$40,000.00.

- (7) Tenant Improvement: National Car Rental System, Inc.
Modification of Check-In Facility at Lot A, \$30,000.00.

No. 79-0407

Resolution approving the final plans and specifications submitted by National Car Rental, showing modifications to its check-in facility at Lot A-1 to improve operational efficiency and customer service.

- (8) Retirement Resolution: Joseph Pidd.

No. 79-0408

Resolution expressing appreciation to Mr. Joseph Pidd, Assistant Chief, San Francisco Airport Tower, on his retirement after 25 years of service to the Airport.

* * *

. Director's Reports.

- (1) Proposed Policies on Terminal Space Allocations.

Mr. Heath said this subject had been discussed at the last meeting, and he planned to present for action a set of proposed policies at the December 4 meeting. Extra copies of the proposed policies were available for interested persons.

Mr. Heath said the Airport's legal counsel, Morrison & Foerster, and City Attorney George Agnost had discussed the United Airlines lease and landing fees agreements and felt there were strong legal and operational reasons why both long-term agreements should be rescinded. Mr. Heath said this matter would be considered for action by the Commission at the January 2 meeting.

Commissioner Kadish asked Mr. Heath to ensure that all airlines were notified of these items which will be on the agenda for the December 4 and January 2 meetings, so comments can be received by the Commissioners a week prior to each meeting.

* * *

- (2) Passenger Loading Bridges.

Mr. Heath said the memorandum presented was self-explanatory.

* * *

(3) Development of a Policy Relating to Safety Regulations.

Mr. Heath said Commissioner Kadish had requested the development of such a policy pursuant to the defect found in the loading bridges; however, the Rules and Regulations approved in 1972 contain such authority.

* * *

10. Items Initiated by Commissioners.

- (1) Commissioner Kadish referred to the letter of November 20 received from Mr. Blais and asked if he spoke for the Policy Committee in objecting to certain supplemental appropriations approved earlier and if a vote had been taken before the letter was written.

Mr. Blais said a vote had been taken sometime in the past, but not specifically on this issue. Mr. Blais said that when an item comes up that demands an immediate response, he felt comfortable in taking such action, even though it was impossible to confer with all airlines in time.

Commissioner Kadish asked that there be an indication, in the future, if an action was administrative, or if a vote had been taken.

* * *

- (2) Commissioner Goosby asked that the Commission be given a report on the reorganization of the Business & Finance Division.

* * *

- (3) Commissioner Kadish asked if an investigation had been made on the lack of shelter at the Downtown Terminal.

Mr. Heath said ground had been broken, construction started, but no shelter provided for passengers. Mr. Heath said he would write Mr. Leonoudakis and remind him of his promise to the Commission that shelter be provided; also, he would make arrangements for a photographer.

Commissioner Goosby said he thought the feasibility of the Airports Commission taking over the Downtown Terminal should be studied.

Mr. Heath said that, under the Charter, the Airport cannot own or operate any form of ground transportation outside the Airport.

* * *

- (4) Commissioner Goosby asked that the Commission be supplied with a report on personnel procedures, saying that it might be incorporated into the report requested on reorganization.

* * *

11. Communications.

No communications were received.

* * *

12. Trailing Calendar of Old Business.

There was no discussion.

* * *

13. Executive Session.

The Executive Session scheduled for 4:30 p.m. was cancelled.

* * *

14. Adjournment.

There being no further business before the Commission, the meeting adjourned at 3:25 p.m.



Warren D. Hanson
Acting Commission Secretary

SAN FRANCISCO AIRLINES POLICY COMMITTEE

San Francisco International Airport

San Francisco, CA 94128

November 20, 1979

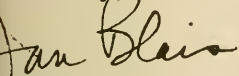
Mr. Richard R. Heath
Director of Airports
San Francisco International Airport
San Francisco, CA 94128

Dear Dick:

The item on today's agenda seeking supplemental appropriation of \$100,000 from Airport revenues to pay for special counsel fees is improper and not authorized by City Charter Section 3.694. The suit which special counsel have been hired to defend seeks recovery of revenues improperly taken from the Airports Revenue Fund and other funds of the Airport. The Airports Revenue Fund cannot properly be assessed the cost of the City's efforts to defeat such recoveries.

I assume the supplemental appropriation of \$250,000 for special counsel fees with respect to garage contractor litigation and claims, concerns matters unrelated to the airlines' lawsuit. If this assumption is correct, the question remaining is: what is the need to hire outside counsel, particularly in view of the size of the City Attorney's staff dedicated to the Airport? Also, for future reference, be advised that the airlines do not concur that the costs of delay to the M & R Program occasioned by Commission actions taken because of the airlines' lawsuit, including attorney fees, should be properly charged to the Airports Revenue Fund.

Sincerely,



Jan David Blais
Chairman
San Francisco Airlines Policy Committee

JDB:jhm

CC: S.F. Airports Commission
Airlines Policy Committee

SAN FRANCISCO AIRPORTS COMMISSION



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December 4, 1979

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

WILLIAM K. COBLENTZ

Vice-President

RUTH S. KADISH

DR. Z.L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
December 4, 1979

1. Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m., in Room 282, City Hall, San Francisco, California.

* * *

2. Roll Call:

Present: Commissioners Morris Bernstein*,
William K. Coblentz*, Ruth S. Kadish*,
Z. L. Goosby*, J. Edward Fleishell.

* * *

3. Pledge of Allegiance: Led by Commissioner Coblentz.

* * *

4. Approval of Minutes:

The following resolution was unanimously approved:

No. 79-0410 Resolution adopting Minutes of the
Airports Commission meeting of
November 20, 1979.

* * *

- * Commissioner Bernstein left the meeting at 2:42, returning at 2:48.
- * Commissioner Coblentz left the meeting at 3:10, returned at 3:13;
left the meeting at 4:00, returned at 4:05; left at 4:40, returned 4:44.
- * Commissioner Kadish left the meeting at 4:20; returned at 4:30.
- * Commissioner Goosby joined the meeting at 2:45.

5. Items Initiated by Commissioner:

The following resolutions were unanimously approved:

- | | |
|-------------|---|
| No. 79-0430 | Resolution cancelling the regular meetings of the Airports Commission on December 18, 1979 and January 2, 1980; scheduling special public meetings on January 8 and 22, 1980. |
| No. 79-0431 | Resolution changing the Rules of Order of the Airports Commission setting the time for the public meetings at 2:00 p.m., a change from 2:30 p.m. |

* * *

6. Director's Reports:

(1) Airporter's Downtown Terminal

Airports Director Richard Heath reported on the status of construction at the Downtown Terminal. Commissioner Kadish said she had also visited the site and asked that Airporter management be told to correct the situation where the covering allows rain to blow into the shelter.

* * *

(2) Energy Conservation

Commissioner Kadish asked that a copy of the Director's report be circulated, so others can be made aware of the Airport's progress, and perhaps be a model to others.

* * *

(3) Proposal by Elsa Cameron

Commissioner Goosby asked if the proposed temporary art exhibits would conflict with the ethnic handicraft area which had been discussed, and asked that there be no duplication.

* * *

Director's Reports (continued)

(4) Implementation of FIRM Project

Mr. Heath said it would be necessary to change the accounting procedures to tie into the Controller's system and eventually to develop a mini-computer program at the Airport.

* * *

(5) Attendance of Individual Commissioners at Selection Conferences and Procedures for Selection of Personal Services Contractors.

Commissioner Goosby asked how the distinction would be made between the contracts where staff made the selection and presented names to the Commissioners for their choice, and where the Commissioners actively participated.

Mr. Heath said that decision would be made on an annual basis, during the budget process.

Commissioner Fleishell asked about the Baccari personal services contract as it had never been to the Commission for approval. Mr. Heath responded that, under his authority as Director, he had signed the contract as it was under \$5,000 and timing was important so the survey could be done in August, to match the MTC five-year survey which will be done in August, 1980. Staff will have the capability to conduct surveys in the future without consultation.

* * *

(6) Signing Program

Mr. Heath reported that the Operations staff was developing a control which would enable them to handle the signing program inhouse in the future.

* * *

(7) Pre-Qualification, Parking Company of America

The following resolution was unanimously approved:

No. 79-0432

Requested reconsideration of Commission's action of not including Parking Company of America as a qualified bidder eligible to bid the contract for the Public Parking Facilities at the Commission meeting of October 16, 1979.

Commissioner Coblentz suggested the qualifications of the Parking Company of America be approved provided they meet the requirements of Item G, which should be taken up by staff.

Mr. Heath reminded that company the requirement pertains to the individual who would run the facility at the Airport.

* * *

- (8) Director's Report - Status of Reorganization, Decentralized Civil Service Operation and Procedures for Employee Discipline.

There was no discussion.

* * *

7. Agenda Items Involving Airport Policies or Major Operational Decisions.

The following resolution was unanimously approved:

- (9) Reappropriation of Airport Operating Funds

No. 79-0411

Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the total amount of \$135,213 to cover the cost of Permanent Salaries, Mandatory Fringe Benefits and Office Furniture required for continuing Airport operations under the reorganization plan, and rescinding \$135,213 Permanent Salaries and Mandatory Fringe Benefits.

Mr. Heath explained the necessity for certain positions, particularly the Director for the Bureau of Community Affairs.

Commissioner Fleishell questioned certain requests, and Mr. Heath responded these were the personnel needed to manage the Airport effectively, according to the Booz Allen recommendations.

Commissioner Bernstein asked if the Director of Community Affairs would be supervising a staff of seven to eleven new people, and was told they would be employees transferred from their present duties. Mr. Heath said, dependent on the results of the Joint Land Use Study, another four positions might be required.

Commissioner Goosby asked if the Contract Lease Administrator was a new position, and was told it was.

* * *

The following resolution was unanimously approved as amended:

- (10) Reconsideration of Request for Supplemental Appropriation for Printing Expenses.

No. 79-0412 Reconsideration of Request for supplemental appropriation for printing expenses.

Mr. Heath said he felt it was appropriate to either pass the resolution or stop the activities, and his recommendation was to approve the \$30,000 for the multi-lingual terminal guide only.

Commissioner Goosby asked if this would go out to bid. Mr. Don Garibaldi, Airports General Counsel, said the work must go through the City Purchaser.

Commissioner Kadish said she hoped that the work costing \$16,000 which had already been expended on the biennial report could be put to other uses.

* * *

The following resolution was unanimously approved:

- (11) Landing Fee Charges for Commercial Airlines under 10,000 Pounds Using Terminal Facilities.

No. 79-0413 Resolution approving the charge of \$10.00 per landing for commercial airlines under 10,000 pounds carrying fee passengers, which utilize terminal facilities.

Commissioner Goosby asked what the anticipated revenue would be and Mr. Pete Singer, Deputy Director for Business & Finance, said it was impossible to forecast accurately at this point.

* * *

The following resolution was unanimously approved:

- (12) Professional Service Agreement

No. 79-0414 Resolution approving agreement with Art Blum Agency to provide Christmas programs in the Central and South Terminals.

Commissioner Fleishell questioned responsibility in the event of injury to any performer and Mr. Heath explained that since they were not employees, there would be no workmen's compensation involved, but the rights of any member of the public passing through the Airport would apply.

Deborah Hendricks, Vice President of the Art Blum Agency, explained the contract briefly and said she had responsibility for recruiting the performers and for their appearance, but that transportation was not provided.

Commissioner Goosby asked where the performances would be, and Mr. Heath said the times and areas would be coordinated between Mr. Singer, Mr. Turpen and himself. Mr. Heath said he took full responsibility for the program.

* * *

The following resolution was approved by the following vote: aye, Commissioners Bernstein, Coblentz, Kadish, Goosby; nay, Commissioner Fleishell.

(13) Modification to Professional Services Agreement - Arthur Andersen & Co.

No. 79-0415

Resolution approving Modification No. 4 to Professional Services Agreement with Arthur Andersen & Co., to provide the necessary re-programming efforts.

Mr. Heath explained the history of the problems with the City's data processing system, and explained that it was now necessary to redesign in order to tie in with the Controller's system and then develop the Airport's own mini computer system.

Commissioner Fleishell objected to proceeding with the program at the Airport until the City's system was fully developed. Mr. Heath explained that in order to get any accounting figures for the current fiscal year, it was necessary to go forward with the computer program or to hire many accountants to do the figures manually.

* * *

The following resolution was discussed and held over:

(14) Policies on Terminal Space Allocation

Resolution approving and adopting new Airport policies concerning Terminal Space Allocation.

Commissioner Kadish said since two communications and six requests to speak had been received, she suggested using this meeting as an informational session and holding the resolution over until the January 8 meeting for decision.

Commissioner Coblentz asked Mr. Heath to arrange meetings with two Commissioners, staff and the airlines for discussion prior to January 8.

Commissioner Fleishell said he hoped that arrangements could be made whereby the airlines work out the problem among themselves, with staff interceding only if agreement cannot be reached by the airlines themselves.

Mr. Jan Blais, Director of Properties, Western Division, United Airlines, presented a letter which is attached and incorporated in the record through reference. Mr. Blais also spoke against the proposal, stating that eleven other airlines concurred with United: Air California, Air Canada, American, Delta, Air West, Japan Air Lines, North West, Pan American, Qantas, TWA and Western Airlines.

Mr. Richard Mooney, Vice President of Properties for Continental Airlines, spoke of the problems Continental has had in obtaining adequate space and the necessity for flexibility in space arrangements in order that airlines are in a position to pursue effective competition. Mr. Mooney said his company supported a program that would provide for reallocation of space, based on need.

Mr. James Chamberlin, Regional Manager of Properties, Delta Air Lines, presented a statement which is attached and incorporated into the record by reference. Mr. Chamberlin spoke briefly of the commitment by the Airport to the airlines and the Airlines' commitment to pay the necessary debt service.

Mr. Richard Jamison, Assistant Vice President of Properties, American Airlines, presented a proposed resolution which is attached and incorporated into the record by reference. Mr. Jamison spoke briefly, stating that excessive force should not be used to curb a problem that is far less in magnitude.

Mr. John Regan, Director of Properties for TWA, agreed with Mr. Jamison's statement and said the suggested remedy was excessive, based on assumptions which were erroneous. Mr. Regan explained certain things which TWA had done to accommodate other airlines.

Mr. Douglas Holmes, Director of Property for Pan American, said his company agreed with the statement submitted by Mr. Blais of United. Mr. Holmes said with regard to the utilization of facilities, there would be a much improved situation if the Commission would move forward with the M & R Program, especially with needed improvements in the South Terminal.

Mr. George Galvin of Air California withdrew his request to speak.

Commissioner Kadish said she thought it important that there be no adversary position in this important matter and the staff be open to suggestion; perhaps a formula could be worked out in view of the airlines' position of overreaction on the part of the Airport.

The following resolution was unanimously approved:

- (13) Resolution Extending Contract Time and Approval of 1980 Budget, Construction Management Consultants.

No. 79-0416

Resolution approving and requesting the Controller's certification of Debit Modification No. 7 to Construction Management Consultants' contract, a joint venture of Sverdrup & Parcel and Associates, Inc. and Stone, Marraccini and Patterson, extending their contract to December 31, 1981 and approving their budget of \$542,500.00 for calendar year 1980.

Commissioner Bernstein asked why so many full-time people had to be paid, and Mr. Heath responded that much of the work is in connection with document contracts in relation to the McKee lawsuit.

* * *

The following resolutions were unanimously approved:

- (16) Approval of Professional Services Agreement, Young and Associates, A.I.A., Fire Station No. 1, \$92,500.00.

No. 79-0417

Resolution approving the professional services agreement and employment of Young and Associates, A.I.A., of San Francisco, to provide architectural/engineering services for the preparation of contract plans and specifications for the new Fire Station No. 1 at the Airport.

- (17) Approval of Professional Services Agreement, \$13,300.00, Stevens-Haag & Associates, Public Reading Lounge, Boarding Area F, North Terminal.

No. 79-0418

Resolution approving the professional services agreement and employment of Stevens-Haag & Associates, Architects of San Francisco, to provide architectural/engineering services for the preparation of contract plans and specifications for the Public Reading Lounge in Boarding Area F of the North Terminal Building. Included as part of the work is the design of a standard kiosk which may be used throughout the terminal area for display of announcements, coming City attractions and events, photographic displays, etc.

* * *

The following resolution was unanimously approved:

(18) Policies and Procedure for Construction Contract Approval

No. 79-0419	Resolution adopting policies and procedures for approval of construction contracts.
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The following resolution was unanimously approved:

(19) Lease Agreements Covering the following concessions:

No. 79-0420	Newsstand & Bookshop, Central Terminal
No. 79-0421	Newsstand & Bookshop, South Terminal
No. 79-0422	Gift & Sundries Shop, Central Terminal

There was discussion regarding opening dates for the concessions, and it was decided that all future proposal must contain an opening date.

Commissioner Coblentz asked for a report on available alternatives to force an opening, if necessary, when the bid had already been awarded.

Commissioner Fleishell suggested language in the agreements that the tenants should cooperate in holiday decorations, etc. Commissioner Coblentz said such arrangement should be given further consideration.

* * *

The following resolution was unanimously approved:

(20) Award of Flower Shop Lease, North Terminal, Paradies Airport Shops, Inc.

No. 79-0423	Resolution awarding the lease for the Flower Shop concession in the North Terminal to Paradies Airport Shops, Inc.
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Mr. Leonard Berger, attorney for the Airport Florist, the second highest bidder, presented a letter objecting to this award, which is attached and incorporated into the record by reference.

Mr. Robert Russell and Mr. Richard Dixon, representatives of Paradies, spoke in favor of the award and explained the basis for considering Paradies a qualified bidder in terms of experience and the amount of the bid.

The Commissioners agreed they were satisfied the experience requirements were met and since the Charter required that the high bidder be accepted, the award was made.

* * *

Consent Calendar of Routine Administrative Matters.

The following resolutions were unanimously approved:

(21) Approval of Settlement of Litigation

No. 79-0424

This resolution approves settlement of litigation entitled Ann Krumholtz v. City & County of San Francisco, San Mateo Superior Court No. 222-758, by the payment of \$4,500.00. Plaintiff seeks damages for alleged personal injuries to her back, right shoulder, right shoulder blade, right side of her face, right arm and right knee as the result of a fall alleged to have occurred on December 22, 1977 on the lower level sidewalk outside the Central Terminal.

(22) Modification No. 1 and Completion of Airport Contract
No. 1149R, Relocation and Installation of Taxiway Guidance Signs.

No. 79-0425

Resolution accepting the work under Airport Contract No. 1149R, Relocation and Installation of Taxiway Guidance Signs, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 1 in the amount of \$1,053.44; extending the completion date from July 28, 1979 to November 12, 1979; and approving final payment in the amount of \$6,751.67 in favor of the contractor, Coast Electric Company, 2490 Middlefield Road, Redwood City, CA 94063.

(23) Bid Call for Airport Contract No. 1075,
Concrete Parking Pad, Pier "F".

No. 79-0426

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Contract No. 1075, Concrete Parking Pads, Pier F.

(24) Bid Call - Contract No. 1195,
Improvements to Drainage Sumps, North Terminal.

No. 79-0427

Resolution approving the final plans and specifications for Contract No. 1195, Improvements to Drainage Sumps, North Terminal, and authorizing the Director of Airports to advertise for bids.

The following resolution was taken off calendar:

- (25) Tenant Improvement: ABC Cigar Company,
Storage Room - North Terminal.

Resolution approving final plans and specifications submitted by ABC Cigar Company, showing the construction of a merchandise storage area in assigned space at the ground level of the North Terminal. The work will be done by ABC Cigar Company at an estimated cost of \$30,000, with a rental credit for the cost of constructing the partition between their assigned space and the adjoining storage space.

* * *

The following resolutions were unanimously approved:

- (26) Modification No. 9, Shuttle Bus Agreement

No. 79-0428

Resolution approving adjustment in hourly rates paid for operation of Shuttle Bus Service at San Francisco International Airport, due to increase in cost of gasoline as measured by the Index of Regular Gasoline Prices, San Francisco - Oakland, per Section 3 of the agreement.

* * *

9. Consent Calendar of Contract Modifications.

- (27) Modification No. 16 (Debit), Airport Contract No. 1015,
Garage: Stage V - Final Modifications, \$15,764.00.

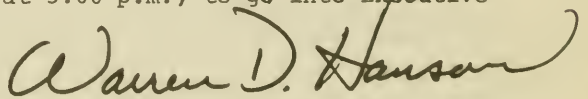
No. 79-0429

Resolution approving and requesting the Controller's certification of Debit Modification No. 16 to Airport Contract No. 1015, Garage: Stage V Final Modifications, in the total amount of \$15,764.00.

* * *

10. Adjournment:

There being no further business before the Commission, the public meeting adjourned at 5:00 p.m., to go into Executive Session.



Warren D. Hanson
Acting Secretary
Airports Commission



UNITED AIRLINES

14
12/4/79

Western Division

December 4, 1979

San Francisco Airports Commission
San Francisco Int'l Airport
San Francisco, CA 94128

Gentlemen:

The following are United Airlines, Inc. comments on the Resolution on Terminal Space Allocation Policies under review by the San Francisco Airports Commission at its December 4, 1979 meeting:

I. Introduction

The Proposed Policies would make certain fundamental changes to the manner in which terminal space is, and has been handled at the Airport. If adopted, as proposed, the resolution would purport to authorize the Commission or the Director to terminate or modify existing agreements and to withdraw from commitments made regarding agreements to be finalized during the Airport M & R Program. We presume that any such action would be attempted only through bilateral negotiation, since the Airport obtained the airlines' cooperation and financial support for the terminal expansion and modernization program with the promise of long term leases to specifically identified facilities.

The Airports Commission has a valid objective in trying to insure that anti-competitive practices do not take place at the Airport. Of course, this possibility should be forestalled as to all carriers and not only "larger incumbent carriers". The Commission understandably does not want to frustrate new service or new carriers because of its inability to provide facilities. United is able to appreciate that position, and repeats its pledge of cooperation to work with airport officials in an effort to maximize access to and productivity of the airport. In fact, that process is going on right now, and we understand that several recently arrived carriers' space needs have already been accommodated by incumbents on a one-on-one basis.

II. There is No Evidence Before the Commission Showing the Need for this Action

The record of what is before the Commission in support of this Resolution, does not show any need for the proposed action:

1. There is no inventory in the record of who now needs space and cannot get it.
2. There is no estimate in the record of what the level of space demands may be in the future.
3. There is no recognition of the bilateral agreements which have been recently made as a more effective and far less severe approach to accommodate needy carriers.

4. There is no evidence in the record of the supply of gates and other facilities which exists now and will exist as the M & R Program develops and is completed.
5. There is no estimate of the relationship between facilities supply and managerial decisions by air carriers regarding schedule frequencies and service levels.
6. There is no analysis of how present and projected facilities supply matches up with present and projected facilities demand.
7. We are aware of no anti-competitive practices taking place.
8. There is no recognition of the impact on facilities' supply of the City's unwillingness to cooperate in providing additional facilities, or even to complete those planned in the M & R Program.

III. The Resolution is Fatally Vague in Several Important Respects

Insofar as the Resolution is intended to set policy directions and give guidelines to the Director for implementing actions, it fails to provide adequate criteria to avoid arbitrary actions. For example:

1. What does a "guarantee" of "equitable" space allocation mean? (Para.1)
2. What is a "level of operation"? (Para.1) Does it refer to departures? Passengers? Seats? How does time of day impact it?
3. What are the criteria to prevent "flexibility" from becoming unilateral arbitrary action? (Para.3)
4. What is airline activity "essential" to movement of passengers and aircraft? (Para.4) Does it include loading bridges? Concession space? Art enhancements?
5. Does Paragraph 5 intend that airline capital spent to construct facilities is not fully recoverable, as well as airline overhead costs incurred in creating space and facilities and administering contracts?
6. What is an "excessive profit"? (Para.6) What contracts, state law or city charter provision authorizes the Airports Commission to review handling agreements at all, let alone monitor and evaluate profit? This question is particularly pertinent in this era of federal policy mandating airline deregulation. What standards would the Commission use if an appeal were taken?
7. What is intended by Paragraph 7? What criteria?
8. What is intended by Paragraph 8? How does this statement square with the Commission's intentional delay in going out to bid on the first phase of the South Terminal - West Addition work?

Proper delegation of authority must be accompanied by adequate standards to govern those implementing the authority. The Resolution contains no such standards.

IV. Conclusion

United believes the Commission should not enact the proposed Resolution. It is too vague and uncertain in its terms. It presupposes a problem whose dimensions have not been explored by the Commission. There is no evidence that it would be an appropriate response to whatever problem (if any) may exist.

There are no guidelines to provide even a sense of direction to the Director of Airports.

There is no reason for the Commission to think it must take a broad-brush approach which will undo what years of patient, careful, cooperative airline/airport work has achieved.

United recommends a more modest program: That the Commission direct its staff to continue working with individual carriers which may appear not to be using space as effectively as others on the airport, encouraging them to accomodate others who have expressed needs. The Commission should consider auditing the supply/demand equation periodically and see how well its staff has done in persuading carriers that it is in their interest to cooperate voluntarily in specific cases. United repeats its expressions of cooperation to you that were made to Mr. Heath and his staff in Policy Committee meetings on October 4, 1979 and November 8, 1979.

In conclusion, this Resolution should be rejected by the Commission in favor of the less sweeping but more effective approach recommended here. Alternatively, given the lack of adequate evidence on the matter, the Commission should schedule full evidentiary hearings on the proposed policies, requiring airport staff to propose specific implementing regulations, and requiring staff to make the case for their recommendations. Others should be afforded the opportunity to be heard and to publicly examine the basis for, and objectives of, the policies and the nature and scope of implementing regulations.

Very truly yours,



Jan David Blais
Regional Manager of Properties
Western Division

JDB/jan

cc: Richard R. Heath, Director of Airports
San Francisco Airlines Policy Committee

STATEMENT OF JAMES A. CHAMBERLIN,
REGIONAL MANAGER - PROPERTIES, DELTA AIR LINES, INC.
TO SAN FRANCISCO AIRPORT COMMISSION, DECEMBER 4, 1979

Delta has received a copy of the proposed resolution concerning certain proposed changes in policy of the Airport Commission with respect to the allocation and use of space at the San Francisco International Airport.

We are disturbed that the Airport Director feels that there is any need for changes in the existing policies, and we believe that the proposed changes result from a failure to properly focus on the problems which do exist at the airport.

First it must be understood that, as with many airports, there is not sufficient space available for all airlines to have all of the exclusive space that they desire. There are two reasons for this. The first is that the airport has failed to build space on the required schedule that has been requested by the airlines and agreed to by the airport. The Director of Airports seems to overlook the fact that there has been great pressure not to build additional space as rapidly as might have been possible because of environmental and noise considerations, while at the same time he seems to be concerned that there is not sufficient space available for all airlines who wish to serve the airport under the deregulation policy. Obviously, both the desire for increased service and the desire to avoid further objections from the environmental/noise standpoint cannot be met at the same time without some compromise. You cannot have more service and less service at the same time. At any rate, for various reasons, there is not a completely adequate amount of space available at this time.

The question then becomes how this space should be allocated and handled. The Director suggests, through the proposed resolution, that there be rather radical changes in airport policies in order to support free and

open competition in the air travel industry and to make certain that anti-competitive practices do not take place at the airport. One of the stated purposes of the resolution is to insure that larger incumbent airlines do not use their terminal space leases in an anti-competitive manner.

Delta is concerned with these proposals for two basic reasons. First, they seem to imply that under the existing policies anti-competitive practices do inhibit free and open competition and that larger incumbent airlines do use terminal space leases in an anti-competitive manner. Second, we are deeply concerned at the operational problems which would result if the proposal is accepted and implemented in a way which disregards operational realities.

With respect to our first objection, we must point out that at any airport where there is a limited amount of space, which is the case at virtually every major airport in the country, compromises must be made to satisfy the needs of all. The fact of the matter is, however, that these compromises are made on a daily basis by the airlines, under the pressure of free-market forces, and they, as far as we are aware, have always been able to resolve these difficulties under the existing policies and structures. At the present time, every airline which desires to serve San Francisco has been able to arrange space and handling. We are not aware of a single airline which has been unable to arrange accommodations and we are not aware of a single airline which claims that it has been gouged by incumbent airlines. In this connection you must remember that there are free-market forces which result in fair treatment by incumbent airlines to new airlines. In many cases, several incumbent airlines would be competing with each other to handle a new airline in order to obtain a feed of traffic from that airline into their system.

Every carrier cannot be entirely satisfied with its arrangement, but this will always be the case when there are not facilities for everyone.

Continental has supported the idea of changes in existing policy but it must be remembered that Continental is an incumbent, not a new airline. Continental apparently miscalculated its needs several years ago and now is using the proposed new policy as a negotiating technique.

The second major difficulty with the proposed changes in policy is that it entirely overlooks the operational problems that would result if carriers do not have exclusive long-term space commitments. There are many facilities and much equipment which must be designed to an individual carrier's needs, such as computer terminals, pneumatic tube systems, air start units, ground power units, jetways and other facilities and equipment which are expensive, long lead time items. Carriers cannot afford to incur the expense necessary for these items without assurance of a long-term commitment from the airport. If a carrier's operational space were subject to shifting at the desire of another carrier or the airport, the carriers would have extreme difficulty in providing these facilities and this equipment.

The best way to handle these matters is the way they are presently handled. That is by allowing free market forces to handle the matter. Carriers are able to work out equitable and fair arrangements for use of their space and equipment by other carriers and they do in fact work out such arrangements at San Francisco, just as they do around the country.

The existing system is consistent with the basic idea of deregulation, i.e. to allow market forces to handle space allocation problems.

The idea that a governmental agency should be imposed to resolve these matters is entirely inconsistent with the philosophy of deregulation.

But that is exactly what would happen if the airport were placed in a position of determining who should have what and when. This is simply an unnecessary layer of regulation which is entirely contrary to the deregulation idea.

. An airport's function is to serve the public through the provision of adequate airport facilities. So long as the public is being properly served, there is no need for the airport to take on the additional task of attempting to regulate matters between airlines. The free-market forces will do a much better job at this than the airport could ever do. Traditionally the airport operator assists the airlines through attempts to mediate -- this is all that is needed.

In this connection there apparently is concern that if carriers are allowed to have long-term leases, they tie up space so that others do not have a chance to obtain space on the same basis. As I have already indicated, this is not the case because if a carrier has more space than it needs, it will desire a sublease with another carrier to reduce its costs. If the new carrier actually needs additional space on a permanent basis, the answer is for the airport to build additional space for that carrier. If the airport determines that it wants no additional carriers and no additional air service, then the existing carriers must do the best they can with limited space. The present system of leases and subleases and handling agreements handles this situation as well as any system could. Delta was a new carrier in San Francisco in 1961 and has existed for nearly 18 years in less than adequate facilities to meet its desired day to day flight schedules. Again, I repeat I am not aware if any new carrier has been unable to obtain space or handling at a fair price. In the event that there



are occasional problems in this regard, however, the Airport Director can and does apply sufficient pressure to resolve any such problem. A whole new layer of regulation by the Airport Director is, quite simply, unnecessary and contrary to the basic purpose of deregulation.

For the above reasons, we strongly oppose the policies which are proposed by the Director of Airports. We would also point out, that to the extent that this policy calls for amendment of existing leases, such amendments could not occur over the objection of the airlines involved without an impairment of their contracts. Any such impairment would violate the Federal Constitution.

I want to emphasize that there has been a commitment on the part of the Airport Commission to provide each of us with certain exclusive areas in return for which we committed to underwrite the debt service on revenue bonds. Therefore, it is my basic position that you have to provide each of the original signatory carriers with the spaces designated on the various drawings. We do not concede for even the purposes of argument that we can settle for anything less than those areas except by negotiation. We feel that there is a firm contractual commitment by the airport to furnish Delta with this space.



American Airlines Proposal

AIRPORTS COMMISSION

CITY AND COUNTRY OF SAN FRANCISCO

RESOLUTION NO. _____

WHEREAS, The Commission recognizes the conflict inherent in the Federal policy of untrammelled competition in air commerce and the physical and practical constraints which limit the size of San Francisco International Airport; and

WHEREAS, enactment of the Airline Deregulation Act of 1978 by the Congress may make the voluntary and cooperative sharing of passenger terminal facilities by and among the airlines more difficult to achieve in the future than it has in the past; and

WHEREAS, This Commission is committed to policies and practices intended to produce the maximum use of limited airport facilities, to the end that both physical and monetary resources provided by taxpayers and airport users be fully, fairly and efficiently utilized;

NOW, THEREFORE, be it

RESOLVED, that the following policies related to Passenger Terminal Space Utilization be and are hereby adopted:

1. All future agreements entered into between this Airport and any airline concerning Passenger Terminal Space and aircraft parking positions shall contain clauses encouraging the accommodation of other airlines seeking such facilities and discouraging the under-utilization of such facilities when other airlines require but cannot otherwise obtain, similar facilities. Such clauses shall foster sub-leasing of passenger terminal facilities, but failing all else, shall contain utilization formulae allowing the surrender and repossession of such facilities by the Airports Commission, and their subsequent leasing to a new tenant, provided, however, (1) that such facilities shall have been under-utilized by the original lessee



relative to other Passenger Terminal Space and aircraft parking positions, (2) that the subsequent lessee shall contract to provide greater utilization than the original lessee, and (3) that the original lessee shall be ^{JUSTLY}~~jointly~~ compensated for his loss.

3. Where no leases exist, efforts will be made to enter into agreement that will not only incorporate the clauses cited in Paragraph 1 hereof, but will also provide reasonable assurance to the prospective lessee thereunder that he will have the facilities he requires at reasonable cost for a reasonable period with which to plan and provide a high level of service at the Airport.
4. Sub-leases entered into pursuant to the policies enunciated by the Resolution shall be subject to the prior approval of the Airports Commission. No sub-lessor shall be permitted to recover more than his direct costs, plus a reasonable charge for the use of tenant improvements furnished at sub-lessor's cost, and plus a reasonable charge for administration of the sub-lease, it being the intention of this Commission that neither the sub-lessor nor the sub-lessee shall realize an excessive benefit by virtue of the sub-base.

and be it further

RESOLVED, that the Director of Airports is hereby directed to draft appropriate contract language, develop appropriate procedures and enter into discussions with present and prospective lessees to implement the policies adopted in this Resolution as soon as practicable.

I hereby certify that the foregoing was adopted by the Airports Commission at its meeting of _____

Secretary



LAW OFFICES
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GARY P. VANNELLI
JOSEPH NADEL
ROBERT J. GONELLA

December 4, 1979

BY HAND

The Honorable Morris Bernstein
President of the Airports Commission
of the City and County of San Francisco
and to the Honorable Ruth S. Kadish,
William K. Coblentz, Zuretti L. Gossby,
and J. Edward Fleishell, Commissioners

Dear Mr. Bernstein and Members of the Airports Commission:

I am in receipt of a copy of a letter of transmittal dated November 28, 1979 from Mr. Singer advising me that the staff is recommending to the Commission that the award of the flower shop lease in the North Terminal Building be awarded to Paradies Airport Shops, Inc. I wish to object to the staff's recommendation on behalf of our client, Airport Florists, Inc.

The simple fact is that Paradies Airport Shops, Inc. does not meet the minimum experience set forth in the invitation to bid requiring (1) the bidder must have a minimum of five (5) years experience within the past ten (10) years in the ownership, ~~management or operation of a flower shop~~, and (2) the ownership ~~management or operation of a flower shop~~ generating a minimum annual gross revenue of \$45,000.00 per year for five (5) consecutive years.

The information supplied by Paradies Airport Shops, Inc. itself indicates the following:

(1) Paradies was an operator of a toy shop concession in the Terminal Building at the Atlanta International Airport under a lease dated December 7, 1971.

(2) On July 31, 1973 that lease was amended to permit Paradies to sell fresh cut flowers in addition to toys.

(3) On January 31, 1977 Paradies assigned that right to one Sally Donaldson who has agreed to pay the City of Atlanta 10% of her gross receipts.

1971
1973 Jan
1976
1977
1979



OLINARI, CASALNUOVO & BERGER

The Honorable Morris Bernstein
President of the Airports Commission
of the City and County of San Francisco
and to the Honorable Ruth S. Kadish,
William K. Coblentz, Zuretti L. Gossby,
and J. Edward Fleishell, Commissioners

December 4, 1979

Therefore, it is clear that Paradies only operated a flower shop from June 1, 1973 to January 31, 1977 for a period of three (3) years, seven (7) months. That experience does not meet the minimum qualifications set forth in the invitation to bid. The fact that Paradies has consulted with the present operator of the flower stands, does not qualify it as having the requisite experience.

The activities of Paradies in connection with the Atlanta Airport as set forth in Mr. Heath's memo of November 28, 1979, do not alter the fact that Paradies does not meet the minimum requirement of the invitation to bid. There is no attempt on anyone's part to penalize that company for supporting an affirmative action program, nor do we find that the information supplied by Paradies in any way indicates its efforts to support an affirmative action program.

It is the position of my client that since the high bid does not meet the minimum qualifications of the invitation to bid, then it, as the only qualified bidder, should be awarded the bid.

There is no reason, in law or equity, to readjust the experience requirements for the sake of one bidder. When we first began to appear before the Airports Commission, we were advised that it was the travelling public whose interests are paramount in the maintenance and operation of the San Francisco International Airport. That interest cannot be served by any business required to pay an exorbitant rental. That rental must ultimately be absorbed by the travelling public.

If it is the intention of this Commission to abide by its invitation to bid, and to provide a quality service to the travelling public then we believe that it is both fair and equitable that the award of the lease be made to the only bidder satisfying the Commission's requirements: That bidder was Airport Florists, Inc.

Respectfully submitted,

MOLINARI, CASALNUOVO & BERGER

By: 

LEONARD B. BERGER

